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Daily Report

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Presidents Yeltsin, Kravchuk Agree on Black Sea Fleet

ITAR-TASS reports that Russian President Boris Yeltsin and Ukrainian President Leonid Kravchuk signed an agreement on the Black Sea Fleet during talks in Yalta. "Under the agreement, the Russian fleet will withdraw from under CIS control to form a Ukrainian-Russian fleet under joint command. The fleet commander will be appointed and dismissed only with consent of the Russian and Ukrainian presidents." Moscow Radio reports that a transitional period of three years was established to provide time for the division of the Fleet.

President Yeltsin Visits Bulgaria

Several Russian sources report on President Yeltsin's arrival in Sofia. Moscow TV reports that upon arrival, Yeltsin said: "I agree that in 1991, when the whole empire was disintegrating, there was a slump in relations between the former Soviet Union—that is how we will put it—and Bulgaria. We had no legal foundation or document underpinning our relations, their development, and so forth. That is why we want to sign a treaty on cooperation with esteemed President Zhelyu Zhelev during my visit. It will be the legal foundation for the subsequent development of our mutual relations in all areas."

Moscow Radio Rossii adds that during the visit, "a treaty on friendly relations and cooperation between the two countries was signed." Yeltsin said: "I attach very great importance to the treaty signed today" which "was not too easy; there were some disagreements, naturally enough".

Dispute on Aid to Multinational Forces in Iraq, Yugoslavia

Moscow TV reports that "reliable sources in the Russian Defense Ministry" disclosed that "the Russian Navy has received orders, in accordance with a decision made by the country's president, to prepare a battleship to be sent to the Persian Gulf, if needed," and that "a decision has also been made to send a Russian battleship as part of the multinational forces that are blockading Yugoslavia at sea." ITAR-TASS reports that on 3 August CIS Navy Commander Vladimir Chernavin "denied" reports that "Russian President Boris Yeltsin had ordered warships to get ready for going to the Persian Gulf and the Yugoslav and Romanian coasts."

Gaydar in "Closed-Door" Meeting With Bank Chief Gerashchenko

INTERFAX reports that acting Prime Minister Yegor Gaydar held a "closed-door" meeting with Viktor Gerashchenko, acting chairman of the Central Bank, on 3 August. The meeting "focused in particular on Russia's transition to a convertible ruble and paying off mutual debts of enterprises." Moscow TV reports that "a conflict is again flaring up" around the Central Bank. The newscast cites an INTERFAX interview with Yuriy Voronin, deputy chairman of the Supreme Soviet, who noted that "the total amount of enterprises' mutual unpaid debts today exceeds 3 trillion rubles" and said that "the decision adopted by the new leadership of the Bank of Russia in this situation regarding the granting of credit to cancel payment liabilities is the only correct solution."

Statements Condemn Azerbaijani Military Operations in NKR

Yerevan Radio reports that "the United States, Italy, Russia, and Germany issued separate statements condemning the continuation of the Azerbaijani military operations in the northern parts of Nagorno-Karabakh, the occupation of Mardakert [Agdere], and the use of military aircraft against peaceful citizens," in the course of the Rome talks in preparation for the CSCE-sponsored conference in Minsk to resolve the Nagorno-Karabakh issue. According to the report, the Armenian delegation expresses "satisfaction" at the condemnation, and regards the statement as "tantamount to a strict warning to Azerbaijani authorities."

Estonian Decree Limits Russian Troop Movement

BALTFAX reports that the "Estonian government adopted a resolution according to which any movement of Russian military equipment and troops stationed in Estonia across this country can be effected only after coordinating it either with the Estonian Defense Ministry, or with city or district state defense departments." A second resolution states that while "military servicemen do not need to receive visas", "they should have a written permission from the Estonian Defense Ministry or city (district) state defense department."

Turkmenistan Foreign Minister Resigns

Radio Rossii reports that Turkmenistan Foreign Minister Avdy Kulyev has resigned from his position due to his "disagreement with certain aspects of President Saparmurad Niyazov's foreign policy."

'Report From NATO' Views Naval Strategies
LD3007114992

[Editorial Report] Moscow Russian Television Network in Russian at 1500 GMT on 29 July broadcasts the 30-minute "In the Zone of the English Channel" program, narrated by Kipras Mazheyka, from the "Report From NATO" series. Mazheyka reports from onboard various NATO warships he accompanies on exercises. He begins by commenting on the importance of sea transportation for the Netherlands and Belgium and NATO's efforts to ensure the safety of the sea routes:

"It is paradoxical, but it is still a fact that from the Western strategists' viewpoint the East in the past was a great threat, but it was a single threat and they managed to cope with it. Now, however, the world and Europe face dangers that are possibly reduced but exist in greater numbers, are more diverse, and most importantly are unpredictable. Since this is true, the North Atlantic Alliance will continue to bear the burden guaranteeing stability, or to put it more simply, to act as a world gendarme, to use the language of our domestic propaganda of the sixties and seventies. The basic principle of the new NATO strategy is to move from concentrated to all-around defense, from static confrontation with Eastern Europe to dynamism in any region, orienting itself to preventing local and regional conflicts, not some global conflict."

Viewing the technology involved, Mazheyka recalls a debate in MOSKOVSKIYE NOVOSTI about Russia's technological backwardness: "Why can our Komsomlets submarines, known as the Mike class in the West, be discovered from a distance of 500 miles, while those in the same class built across the ocean can only be discovered from a distance 20 or 100 times less? Is this not the reason for the constant and risky presence of the submarines of those who are now our partners near the entrances of Russia's naval bases in the north? For it is no secret to anyone that every submarine that sets out on a voyage from here is followed, literally on its heels, by a similar submarine from the opposite shore. The most important thing in antisubmarine warfare is to find the enemy's submarine. The rest is down to equipment. Missiles with homing warheads are not likely to miss their target."

Continuing on that theme, Mazheyka adds: "It remains a fact that in the event of a thermonuclear war, our entire missile submarine fleet of 222 submarines, including 88 nuclear submarines, will be destroyed in two weeks. The chances of victory in sea battles with the fleets of the United States and its NATO allies are nil."

"It is not a matter of the quantity but of the quality of equipment. Let me explain. The Pentagon has been working on creating silent nuclear submarines since the early sixties. According to Koltun, Ryazin, Popovich, Aleksin, Zagorskiy and other Russian experts, the double hull is the main reason for the vulnerability of our submarines. The lighter outer hull resounds like a drum,

which is death for a vessel of this type. The Americans managed to achieve the desired parameters of silencing a single hull, with no loss to safety. As a result, in the last two decades, the United States has not lost a single submarine, while we have lost five. That shows their durability. It is difficult not to agree with the basic conclusions of the submarine specialists: All the trouble of our domestic shipbuilding is its monopolistic nature, with all the resulting side effects which we all come into contact with every day."

Mazheyka next interviews Admiral V. I. Ivanov, captioned as "Former Commander of the Twice Red Banner-holding Baltic Fleet." Mazheyka asks: "Let us talk straight. NATO has six or seven times more aircraft-carrying formations than we have. What is going to happen? Is there going to be another race for supremacy or are we going to look for a possible sensible compromise if our partner, let us call them that, is prepared for this? Is it prepared for it?"

Ivanov responds: "You are right to raise the point that the situation today on the world's seas and oceans is such that there is an increased threat from the sea, including the threat of strikes against the shore."

"If today we are going to reduce armed forces on the land theater of military actions and are not going to speak at all about reducing naval forces, then in the end this is going to promote the continuation of the buildup of naval formations, not the reduction of confrontation."

"We think that what needs to be done is simply to determine and limit the quantity and the combat potential of each state. It is possible to reach agreement on this issue. We have been able to reach agreement with the Americans on the question of adopting an agreement on preventing incidents at sea. We are successfully fulfilling it. That is one example which indicates that an agreement can be reached on the question of reducing naval forces and that a certain quantitative and qualitative ceiling can be set for states' naval forces."

Mazheyka asks Ivanov: "In order to reduce the confrontation of strike fleets in the world's oceans as a whole and in the Baltic Sea in particular, what would the admiral do in this area?"

Ivanov answers: "You are asking a very pertinent question. It is just that question that is worrying us—how to reduce confrontation between fleets in the Baltic Sea. The command of the Baltic Fleet unilaterally undertook an entire range of measures to reduce this confrontation. We think these measures can set examples for other maritime regions where similar measures could also be taken by all the maritime states."

"What are these measures? First, we have restricted the number of exercises we conduct. We have restricted the number of vessels participating in exercises. We conduct exercises near our own coasts. We think exercises should

be informative. We propose inviting observers and correspondents to exercises so they can see for themselves the defensive nature of our exercises.

"We think that to reduce tension in the Baltic Sea we can even foresee that there could be meetings between the commands of the fleets of Baltic states in order to determine and sort out those measures which could be undertaken in the Baltic Sea.

"If we speak about the confrontation between strike fleets, then it is quite incomprehensible to me, for example, why American missile ships and a battleship with missile weapons on board should come into the Baltic Sea, why a U.S. operational missile group should enter the Baltic Sea. I do not understand why U.S. aircraft, why French and British reconnaissance aircraft, should fly over the Baltic Sea. To be more accurate, I should say that I can understand it from the military point of view, but from the point of view of tension and reducing tension then apparently it would be possible for us to agree that other states should not conduct their reconnaissance here in the Baltic Sea.

Further, we think it is possible for submarines, for example British submarines, not to carry out military duties, not to sail in and be in the Baltic Sea at all. We have unilaterally withdrawn ballistic missile submarines from the fleet in the Baltic Sea. We think these measures can lead to a reduction in tension in the Baltic Sea."

Mazheyka continues: "You know, it would be very unobjective for me as a journalist if I did not touch on one aspect which is rather ticklish for us. The Western press has often noted the presence of our submarines in the neutral waters of Norway and Sweden. There have even been references to the occasion when our submarine surfaced off the shores of Sweden. It was then towed back to us. The Swedes filmed all of this and showed the film. You were the commander of the Baltic Fleet and undoubtedly had authoritative knowledge of all of this. Can you confirm that these things went on? Or was this, to the contrary, more an accident than a regular occurrence?"

Ivanov answers: "You know, when you are at sea there all sorts of force majeure circumstances which are difficult to foresee at times, whether from the point of view of the weather or from the point of view of the operation of machines. Yes, such an incident did occur many years ago when a submarine of the Baltic Fleet, due to a failure in the navigational means of determining the location of the submarine. This occurred in the Skaene region of Sweden, but this was a chance event, a chance event at sea which could happen to any vessel, to any submarine of any state.

"The submarine did not have any reconnaissance tasks and was not carrying out any military reconnaissance. Since then, not a single submarine of the Soviet Union has approached the shores of Sweden or entered its territorial waters. We specified a distance of 50 kms from the territorial waters of Sweden and other Baltic states which our forces, both our surface ships and our

submarines, do not approach. When we are peacefully passing through, and we use the right of peaceful passage and pass through the straits to the North Sea when we are going out to the Northern Fleet or the Black Sea Fleet, then of course, in accordance with the international norms, we enter territorial waters. But the authorities are informed of this in advance and they know about this.

"Sweden has long been a neutral state. I think that we can reach agreement and resolve all the problems of the Baltic Sea. About submarines, I can say and guarantee that our submarines do not approach Swedish shores and do not approach the Skaene regions."

Mazheyka then closes: "It seems that by joint efforts we have managed to break through the magic circle of the theater of the absurd and to work out new rules of military exercises. How these are used in practice you will learn from our next reports from Italy, Turkey, and Spain. Until we meet again on the air."

Russian, U.S. Submarines Analyzed

LD3107171892 Moscow ITAR-TASS in English
1348 GMT 31 Jul 92

[By ITAR-TASS military writer Andrey Naryshkin]

[Text] Moscow July 31 TASS—TV correspondent Kipras Mazheyka in "The English Channel Zone" report on Wednesday [29 July] spoke of extremely low quality of Russian subs, including their hydroacoustic submarine surveillance systems.

Referring to renown CIS naval experts, in particular Rear Admiral Valeriy Aleksin, the correspondent claimed U.S. subs can detect CIS submarines in a 500-mile zone, while hydroacoustic submarine surveillance systems of CIS subs have a 20-30 times lower capacity.

He also said a total of five Soviet subs have had a fatal accident over the past 20 years, meanwhile the United States lost none.

"I have never given and simply could not give the information cited by Mazheyka," CIS Navy Flag Navigator Rear Admiral Valeriy Aleksin told ITAR-TASS.

"The information is incorrect and its interpretation is absurd. Saying U.S. hydroacoustic sub surveillance systems have so long a range of action, the correspondent admits the subs have to 'go on surveillance on the approaches to Russian naval bases'.

"Why should the Americans come so close to the Russian territorial waters (12 miles) if they can detect our targets at a 500-mile distance? The data on numerous collisions of U.S. and Russian subs in the underwater position over the past 25 years is another proof. This is the most dangerous type of accident, threatening with death to both subs and their crews. Thus, judging by Mazheyka's words, only kamikazes serve in the U.S.

Navy, who, seeing the target, deliberately ram it. No other conclusion can be drawn from the correspondent's words.

"According to the information of Greenpeace, which is a rather neutral source, a total of 27 subs, including five Soviet (three nuclear powered), four American (two nuclear powered), four French and three British have gotten in a fatal accident since the end of the Second World War.

"This information is close or coincides with that recently published in Russian newspapers and the one the CIS navy general staff has.

"The CIS navy command has more than once officially stated our fleets have no more, and over the five past years considerably less, accidents than the foreign ones. U.S. admirals, who visited Russia both officially and together with various delegations, also praise CIS ships," said Aleksin.

Paper Reports U.S. Dropped 3 Bombs on Japan

OW2807170892 Moscow INTERFAX in English
1559 GMT 28 Jul 92

[Transmitted via KYODO]

[Text] "TOP SECRET", a Moscow newspaper, reports that in 1945 the Americans did not drop two but three atomic bombs in Japan. The third one for some unknown reason did not explode but was handed over by a representative from the Japanese Imperial Army to a Soviet intelligence general. The newspaper based its conclusions on a document addressed to the then head of the intelligence department of the Soviet Army, General P. Ivashutin. The newspaper—specializing in journalistic research and publication of sensational materials—also reported that the representative from the Japanese Imperial Army justified this act with the fact that Japan did not wish the Americans to have a monopoly on atomic weapons. "TOP SECRET" reports the Japanese as having said: "We are done for. America will put us on our knees, enslave us, turn us into a colony, and we will never again be able to stand on our own. But if the atomic bomb were in the hands of both the US and the USSR then, we are deeply convinced, in the near future Japan will once again rise up and occupy its proper place among world superpowers." INTERFAX requested the archive department of the headquarters of the Armed Forces of Russia to comment on this report. However, the head of the archive department announced that he is not able to either confirm nor deny the alleged fact that Japan handed an atomic bomb over to the Soviet Union because this issue is still considered "a state secret."

Soviet Officer Explains Korean War Background

SK3107021992 Moscow Radio Moscow in Korean
1000 GMT 27 Jul 92

[From the "Focus on Asia" program]

[Text] The Korean war ended 39 years ago. The war lasted more than three years, and 3 million Koreans, 56,000 Americans, and hundreds of thousands of Chinese were killed during this war.

In spite of the fact that our country did not officially participate in the war, some Soviet people also died.

How did the war begin? Who is responsible for this horrible war? What role did the Soviet Union play in this war?

(Vladinikov), a retired colonel, presented his memories and views on these questions to readers of the weekly MOSKOVSKIYE NOVOSTI. His article is as follows:

I first went to Korea in the summer of 1952. A new agreement had been concluded between Moscow and North Korea to supply large quantities of new weapons to North Korea. Previous agreements became invalid because Moscow supplied tanks, cannons, shells, and other ammunition to North Korea during the entire war.

Approximately 250 Soviet military advisers stayed in North Korea. They outwardly gave advice on organizing combat. However, our advisers, in actuality, participated in combat operations. Some of them were also killed.

To answer the question, who provoked the Korean war, in the weekly MOSKOVSKIYE NOVOSTI, (Vladinikov) points out that the claim that everything began with aggression of the ROK Army is groundless. Such a claim—that a large-scale offensive is described as being launched by the North Korean Army immediately after the Syngman Rhee's army began attacking—is preposterous.

It requires at least several months' preparation to launch an offensive. The North Korea Army had weapons far superior in quality and quantity than the South Korean Army. The fact that the ROK Army divisions had no tanks explains everything.

On the other hand, the North Korean Army had approximately 200 Soviet-made T-34 tanks. This type of tank was known to be the most superior tank in the world at that time. Without approval of Stalin and Mao Zedong, the North Korean side would not been able to provoke a war in Korea or to commit such an adventurous act.

In March 1949, Kim Il-song was reported to have visited Moscow. According to the recollection of Yu Song-chol, then deputy chief of the general staff of the Korean People's Army [KPA], Kim Il-song explained a detailed plan to reunify Korea by means of armed force [kunsu tongil] to Stalin. However, Stalin amended this plan. Stalin neither agreed to it nor opposed it. In fact, he was afraid of U.S. reaction.

In March 1950, Stalin approved the plan. As for Mao Zedong, his position was clear. From the outset, he supported the plan to invade South Korea. The conclusion of the Treaty on Friendship, Cooperation, and

Mutual Assistance between the DPRK and China in February 1950 had encouraged Mao Zedong to make a decision.

Mao Zedong believed that even if something happened, the Russian people would not ignore it. He also considered invasion of South Korea by the North Korean communists as expansion of his sphere of influence.

Stalin's fear of the United States was not incidental. The U.S. Marine Corps troops landed in Inchon and cut nearly all the (?frontline) troops from the rear bases. In addition, the United States began to act by relying on the authority of the United Nations. As was known at the time, the UN Security Council defined North Korea's act as aggression. The North Korean Army divisions were

forced to retreat by the landing of U.S. troops. Popular uprisings in South Korea, which the North Korean leaders had expected, did not take place.

To help settle the situation, the regular Chinese Army (?crossed the border.) The Soviet 66th Anti-Aircraft Corps, which was a combat unit, also directly participated in the Korean war. Bases of our Soviet anti-aircraft regiments were in the area of the People's Army. Small artillery units were mobilized in actual combat. The Soviet pilots were strictly prohibited to fly beyond or cross the 38th parallel lest they become prisoners of war of the enemy if their planes were downed. This was also intended to conceal the Soviet Union's participation in the war. The Soviet military personnel were armed in strict secrecy.

Ukrainian Official on Dividing Black Sea Fleet

OW0308190892 Moscow INTERFAX in English
1838 GMT 3 Aug 92

[Transmitted via KYODO]

[Text] Advisor to the Commander of the Ukrainian Navy, the former Deputy Commander of the USSR Pacific Ocean Fleet Lieutenant General in reserve Vladimir Khrustitskiy, believes that the Black Sea Fleet should not be divided in any way. According to Khrustitskiy, the fleet should be returned in full force to Ukraine, which has the indisputable right to ownership.

In an interview with the Ukrainian tele-radio agency NOVOSTI, Khrustitskiy pointed out that he wasn't counting on a just decision for Ukraine on the status of the Black Sea Fleet at the present meeting in Yalta between Presidents Leonid Kravchuk and Boris Yeltsin.

Khrustitskiy expressed his regret that his repeated proposals regarding the nationalization of the Ukrainian Black Sea Fleet are not shared by President Kravchuk.

Fleet Remains Indivisible

OW0408101692 Moscow INTERFAX in English
0930 GMT 4 Aug 92

[Transmitted via KYODO]

[Text] Under the decision of the latest Russian-Ukrainian summit on the Black Sea Fleet remains indivisible so far. [sentence as received] This was disclosed to IF [INTERFAX] by a spokesman for the fleet's press center. He said the fleet will be under a joint command and will be subordinate to the two presidents through the defence ministers.

The press center reported that a transitional period of three to five years will be set for a final settlement of the situation. According to the deputy chairman of the Ukrainian parliament Vasyl Durdinets, within a month it will be decided which flag the fleet will sail under.

Russian Officer on Resolving Problem

OW0408102792 Moscow INTERFAX in English
0930 GMT 4 Aug 92

[Transmitted via KYODO]

[Text] The understanding of the leaders of Russian and Ukraine under which the Black Sea Fleet is to be pulled from CIS control and become a joint Russian-Ukrainian fleet does not resolve the problem. This is the opinion of a high-ranking Russian naval officer who asked IF's [INTERFAX's] reporter not to disclose his name.

The officer believes that the Monday [3 August] understanding will preserve the current suspended position of the fleet for three more years which plays into the hands of the Ukrainian side.

"The time factor is favorable for Ukraine, he stressed, the officers are restless, there is no certainty and this will last for three more years". Neither is it clear how two sovereign states can command one fleet.

Pacific Navy Urges Decision on Cruiser's Fate

LD0308085392 Moscow ITAR-TASS in English
0806 GMT 3 Aug 92

[By ITAR-TASS correspondent Vladimir Palagutin]

[Text] Vladivostok August 3 TASS—Russian Pacific Navy officers appealed on Monday [3 August] to the Russian and Ukrainian presidents, who are meeting in Yalta, to decide the fate of a new "Varyag" cruiser the construction of which stalled at Nikolayev Shipyards in Ukraine.

In a telegram signed by Rear Admiral Igor Khmelnov, seamen state that the unilateral Ukrainian decision to stop financing the construction of the cruiser was an erroneous one. "Varyag" is to be preserved for history and Navy. It is important for both Slavic peoples", the telegram notes.

Boris Yeltsin and Leonid Kravchuk are discussing the future of the disputed Black Sea Fleet.

The old "Varyag" cruiser became famous during the 1904-05 Russian-Japanese war. It had a heroic fight with an overwhelming Japanese force in which 122 crew members were killed and wounded. To prevent the Japanese from seizing the "Varyag" its commander ordered to sink the ship.

Further on 'Varyag'

LD0308221892 Moscow Mayak Radio Network
in Russian 2100 GMT 3 Aug 92

[Text] A telegram marked "urgent" to the presidents of Ukraine and Russia has been sent to the Crimea from one of the squadrons of the Pacific Ocean Fleet. Taking advantage of the fact that the two presidents were meeting on the shores of the Black Sea, the seamen of the Pacific Fleet considered that it is most timely to recall the problem of the worthy Varyag which is awaiting its fate in the slipway of the Nikolayev shipyards. The seamen point out that Ukraine's unilateral decision to cease financing the ship's construction is a mistake. They express confidence that the top politicians will find an acceptable solution which will enable the Varyag to be preserved for history and for the fleet. This is important for both fraternal Slavonic peoples, the telegram stresses. The history of the fleet without the Varyag will be incomplete, and this is important to a main degree both for the Russian and Ukrainian peoples. The telegram was signed on behalf of the personnel of the association by Rear Admiral (Igor Khaminov).

Papers Suspend Publication in Central Asia

OW0208124392 Moscow INTERFAX in English
1205 GMT 2 Aug 92

[Transmitted via KYODO]

[Text] The dailies IZVESTIYA and KOMSOMOLSKAYA PRAVDA are no longer printed in Uzbekistan, Tajikistan and Turkmenistan. As IF's [INTERFAX's] correspondent learned at the Tashkent-based SHARK publishing house which used to print the dailies for Uzbekistan, the reason for this was extensive debts owed by the newspapers, not revenge for the criticisms against local authorities printed by the IZVESTIYA and KOMSOMOLSKAYA PRAVDA. The IZVESTIYA owes SHARK 2 million rubles, and the KOMSOMOLSKAYA PRAVDA 1.5 million.

The publishing house notified the dailies' editors-in-chief that their publication will be frozen till all their debts are paid.

Forecasts Indicate Mixed Grain Harvest Results

LD3107134992 Moscow Programma Radio Odin
Network in Russian 1100 GMT 31 Jul 92

[Text] Grain harvest forecasts have been published in the CIS countries. In Byelarus, the harvest will be considerably lower than last year because of a drought. In Russia 96-98 million tonnes are expected to be harvested, which is about the same as last year. To all appearances, Kazakhstan will gather a good harvest. It is the only Commonwealth country which will be able to export grain. Neighboring Uzbekistan will increase grain production too, since the wheat growing area has been increased there. Experts note, however, that even given this fact the republic will be able to satisfy only a quarter

of its requirements for bread. Uzbekistan has already made large purchases of grain in Turkey.

The grain growers of Ipatovskiy Rayon are the only ones in Stavropol Kray today to persistently delay the delivery of grain to the state. Although the Ipatovo growers have the largest grain field in the Kray, all the grain threshed by combine harvester operators is being retained at state and collective farms.

Harvest Falls Behind

OW0308224592 Moscow INTERFAX in English
1806 GMT 3 Aug 92

[From the 4 August "Business Report"; transmitted via KYODO]

[Text] The CIS Could Harvest 170 Mn. [million] Tons of Grain in 1992

According to information supplied by the Commonwealth Statistics Committee, the harvest in the CIS this year is almost a week and a half behind that of last year. By the end of July last year 33.1 mn. hectares [hect] had been cut across the country and 30 mn. hectares threshed. The figures for this year are 16.6 and 13.2 respectively.

But on average the farmers are getting 25.9 centners per hectare [cn/hect], as against 22.6 last year. But if the yield is compared by cleared areas instead of calendar dates, then the difference between this year and last year seems hardly noticable (but as the harvest moves from the fertile south to the less fertile north and east the amount threshed is reduced).

In the central regions of the European part of what used to be the Soviet Union the yield is even lower than last year due to the drought.

Course of the Grain Harvest Up to July 27 1992

	Cut (mn.hect)		Threshed (mn.tn.)		Threshed (cn/hect)		Bought (th.tn)	
	1991	1992	1991	1992	1991	1992	1991	1992
Azerbaijan	0.6	-	1.2	-	21.9	-	226.2	-
Armenia	-	-	-	-	-	-	2.2	-
Byelarus	0.1	0.5	0.3	1.3	29.4	29.5	4.9	-
Kazakhstan	2.3	1.4	2.3	1.9	10.5	13.8	250.9	260.0
Kyrgyzstan	0.2	0.2	0.5	0.4	22.6	28.1	10.5	9.8
Moldova	0.4	0.4	1.1	1.2	33.4	33.4	109.3	130.9
Russia	20.1	6.7	39.5	13.5	21.9	27.1	9272.3	889.7
Tajikistan	0.1	0.1	0.1	0.1	12.2	12.4	4.9	1.0
Turkmenistan	0.2	0.2	0.3	0.5	19.6	20.7	48.3	115.9
Uzbekistan	0.6	0.6	0.8	1.0	12.6	16.8	31.5	249.0
Ukraine	8.5	6.5	21.7	14.2	28.2	28.5	5172.8	2020.0
Total	33.1	16.6	67.8	34.1	22.6	25.91	5133.8	3656.3

Agricultural Developments

LD0208025292

[Editorial Report] The following is a compilation of reports on agricultural developments monitored from Commonwealth of Independent States' sources from 26 July to 2 August. Items are listed in chronological order by republic. Sourcelines and processing indicator follow each item.

Byelarus

Moscow Radio Rossii Network in Russian at 1600 GMT on 30 July reports that the 1992 harvest in Byelarus will be a third lower than forecast, RIKI reports. Specialists are suggesting that the overall harvest of grain will not exceed 5.5 million tonnes, while the republic has a requirement for 10 million tonnes.

These figures were given at a regular meeting of the Byelarusian Government by Agriculture and Food Minister Fedor Mirochitskiy.

After encountering the threat of a considerable reduction in food deliveries, the Byelarusian cabinet of ministers has doubled purchase prices to 10,000 rubles per tonne. The prices are being increased another 50 percent for above-plan deliveries. The government intends to purchase a large consignment of grain in Kazakhstan or to obtain it in exchange for industrial output.

Georgia

Moscow Mayak Radio Network in Russian at 0900 GMT on 31 July reports that the 100,000th tonne of tea leaf arrived at Georgian tea factories today. This is only one half of the amount usually gathered in previous years by August. Several reasons for this are cited: the complicated political situation in the region, bad weather, and the shortage of material and technical resources.

Latvia

Riga Radio Riga Network in Latvian at 1730 GMT on 28 July reports that to date 3 percent or 14,600 hectares of the total grain crop area has been harvested in the republic.

Kazakhstan

Moscow Mayak Radio Network in Russian at 0700 GMT on 31 July reports that Kazakh machine operators have to date harvested 2 million hectares of the bread-grain area. Threshing is under way in Aktyubinsk and Semipalatinsk oblasts; however, many problems have arisen as a result of irregular fuel supplies and high fuel prices.

Russia

Moscow Radio Moscow World Service in English at 1100 GMT on 29 July reports that government purchases of grain in Russia are growing but are still behind

those of last year, according to the Ministry of Agriculture. Contracts concluded with farmers this year total 24 million tonnes of grain. This is one-quarter of the expected harvest. The government has substantially raised procurement prices of grain. In addition, 350 billion rubles of government credits have been assigned for taking in the harvest. Nevertheless, the farmers believe this is not enough, given inflation and a sharp rise in farm machinery prices. Agricultural workers intend to hold a day of farmers' unity next Wednesday.

Moscow Radio Rossii Network in Russian at 0700 GMT on 28 July airs a KURANTY report that the government of Moscow and the Moscow oblast administration have issued a joint resolution on deliveries to the capital of agricultural produce from the 1992 harvest. Farms in the oblast have undertaken to supply to Moscow this year and next 170,000 tonnes of potatoes, 415,000 tonnes of vegetables, and 2,000 tonnes of berries. Moscow Mayor Yuriy Luzhkov has ordered produce procurement to be a top priority. A resolution has been adopted to that vegetables, potatoes, and berries can be procured and paid for at free-market rates.

Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian at 0500 GMT on 28 July reports grain harvesting in Russia this year is two weeks behind last year's schedule. The rate is the lowest for the last five years. Ministry of Agriculture specialists forecast that the country's grain harvest will amount to 94-98 million tonnes. More is expected than last year in the North Caucasus and Orenburg oblast.

The harvest has started in Orenburg oblast. Specialists assess the grain as good, with greater than average yield. According to preliminary estimates, the farms will gather more than 6 million tonnes of grain, if there are no losses.

Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian at 1100 GMT 1 August reports that a good harvest of cereal crops is being gathered in the Central Volga region; however, not everything is reaching state storehouses. On average, for the Ulyanovsk oblast, the combine operators are threshing 27 or more quintals of rye and wheat on all of the almost half a million hectares; on individual tracts, up to 45 quintals. This is almost a record.

Moscow Radio Rossii Network in Russian at 1100 GMT on 29 July reports the first hundreds of tonnes of grain from this year's harvest have arrived on the threshing floors of farms in the Saratov oblast. Farmers have grown a fair harvest, given the dry summer. The average yield is 15.6 quintals per hectare. Specialists estimate the gross yield of grain in Saratov oblast may reach nearly 4 million tonnes.

Moscow Programma Radio Odin Network in Russian at 1100 GMT on 31 July reports large-scale harvesting operations have started in Tatarstan fields. Collective, state, and individual farmers have started the large-scale harvesting of pea and winter rye. This year's harvest is

not bad, Khariz Kamaley, chief of the department of land cultivation of the Tatarstan Ministry of Agriculture and Food, told an ITAR-TASS correspondent. Over the first days of harvesting 83,000 hectares have been cultivated.

Ukraine

Kiev Ukrayinske Radio First Program Network in at 0500 GMT on 31 July reports that following a break of a week and a half in grain deliveries to receiving centres—due to the rain—the field-elevator conveyor started functioning again in the majority of state and collective farms of Donetsk oblasts. By 30 July, the state received almost 150,000 tonnes of grain, mostly wheat of valuable varieties.

Kiev Ukrayinske Radio First Program Network in Ukrainian at 0500 GMT on 31 July reports that early cereals have been collected on 40 percent of the area in state and collective farms of the Kharkov oblast. The average yield is over 29 centers of grain per hectare. Grain deliveries to the state are slow: five times less grain of the new yield has been delivered to the elevators than for this date a year ago.

Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian at 1400 GMT on 31 July reports that G. Klimov in his video report from Ukraine says that Kirovograd oblast, the central grain-producing region in the republic, has been hit by drought. Harvesting is in progress but grain-delivery enterprises are receiving less than one-fifth of the state order. Farmers are holding the grain back in spite of new, rather high, contractual purchase prices.

Uzbekistan

Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian at 1100 GMT on 28 July reports that Correspondent Ganiyev reports on harvesting in Uzbekistan. He reports that according to a decision by the Kazakh Government, this year alone 100,000 hectares were added to the area sown with eared crops. This year's harvest is good. Moreover, Uzbekistan signed an agreement with Kazakhstan on wheat supplies, and purchased 2 million tonnes of grain from Turkey. Accordingly, it looks like there will be no shortage of bread in the republic.

ITAR-TASS Carries Press Review for 4 Aug
LD0408054192 Moscow ITAR-TASS in English
0505 GMT 4 Aug 92

[“Press Review”—ITAR-TASS headline]

[Text] Moscow August 4 ITAR-TASS—Today's newspapers highlight talks between the Ukrainian and Russian presidents held in the district of Mukhalatka in the city of Yalta and an official visit of the Russian president to Bulgaria at the invitation of Bulgarian President Zhelyu Zhelev.

Commenting on the “Yalta's communique” on principles of the formation of Russian and Ukrainian fleets, signed by the Russian and Ukrainian presidents, the NEZAVISIMAYA GAZETA writes that the Black Sea Fleet will be removed from the Joint CIS Armed Forces Command for a term of three years and from now on it becomes a “united fleet of these two countries.”

The Black Sea Fleet's commandment will be also unified, and head commanders will be appointed and dismissed by the Russian and Ukrainian presidents themselves. According to Yeltsin, the Black Sea Fleet's bases be common. [as received]

The KRASNAYA ZVEZDA newspaper writes that within the three-year-term, which has been called a transitional period, a decision will be adopted on the division of the naval military forces. The newspaper described the atmosphere during the talks as hearty, pointing out that an official statement was made by the heads of both countries that from that moment they would drop official names when addressing each other and will call each other simply as “Boris” (Yeltsin) and “Leonid” (Kravchuk).

The KOMSOMOLSKAYA PRAVDA, TRUD and SOVETSKAYA ROSSIYA devote their commentaries to the same subject. The KOMSOMOLSKAYA PRAVDA published an interview with journalists by Ukrainian President Leonid Kravchuk before the summit in Mukhalatka opened. Kravchuk said that, unlike the Crimean problem, which, as he put it, is solved by the Ukrainian and the Crimean parliaments, the problem of the Black Sea Fleet's division is by far more serious. Kravchuk believes that there are forces capable to prevent the solution of the problems, and these forces should be taken into account.

Commenting on Boris Yeltsin's visit to Bulgaria, which began on Monday, the NEZAVISIMAYA GAZETA writes that contrary to pessimistic forecasts, there will be no break in treaty relations between Bulgaria and Russia. That is the main conclusion which can be drawn from the brief (August 3-4) visit of the Russian president to Sofia, during which, on August 4, Yeltsin and Zhelev will sign a new political treaty on “friendly relations and cooperation.”

The NEZAVISIMAYA GAZETA points out that the treaty lays the emphasis on protection of human rights (of Russians in Bulgaria and Bulgarians in Russia). The newspaper points out that over 30,000 former Soviet citizens are currently living in Bulgaria, with Russians making up 80 per cent of a total number of the former Soviet residents.

The SOVETSKAYA ROSSIYA newspaper quotes Boris Yeltsin as saying that the purpose of the present visit is to hold negotiations with the Bulgarian president on reanimating our relations and bringing them to a higher level and sign a corresponding agreement.

The TRUD newspaper carries an interview with Russian Foreign Minister Andrey Kozyrev. "One cannot say that Russia does not have a foreign policy concept or that it is locked up. We are trying to build ally relations with our close neighbours on the basis of our common democratic market values," the newspaper quoted Kozyrev as saying.

Commenting on the actual absence of constructive opponents among democratic circles, Kozyrev said that "constructive criticism, discussions, in particular, to reveal difficulties in store for us, this is what is needed from democratic movements, but they seem to be not prepared for it themselves, confine themselves to slogans and argue with imagined opponents".

Under the headline "All Are Tired of War" the SOVETSKAYA ROSSIYA carries an interview with Major-General Lebed, commander of the 14th Russian Army stationed in Moldova. "Everyone in Moldova is tired of war, the two warring sides are ready for reconciliation.... Peace should be established and then, let politicians come to terms as long as they want," the SOVETSKAYA ROSSIYA quoted Lebed as saying.

The NEZAVISIMAYA GAZETA writes that a buffer zone was established in the Dniester region, i.e. armed formations were disengaged in the conflict area by the peace-keeping forces and a 10-kilometre-long security zone was created along the Dniester River. "That was sufficient to put an end to shooting," the newspaper said.

Yeltsin Arrives in Bulgaria, Makes Statement
WA0308223292

[Editorial Report] Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian at 2000 GMT on 3 August carries on its "Novosti" newscast a recorded report on the statement by Russian President Boris Yeltsin upon arriving at Sofia airport on an official visit to Bulgaria on 3 August. Yeltsin says: "I agree that in 1991, when the whole empire was disintegrating, there was a slump in relations between the former Soviet Union—that is how we will put it—and Bulgaria. We had no legal foundation or document underpinning our relations, their development, and so forth. That is why we want to sign a treaty on cooperation with esteemed President Zhelyu Zhelev during my visit. It will be the legal foundation for the subsequent development of our mutual relations in all areas."

Moscow Russian Television Network in Russian at 1900 GMT on 3 August carries in its "Vesti" newscast a video report by correspondent Khudobina on the news conference held by Russian President Boris Yeltsin following his arrival statement at Sofia airport on 3 August. Khudobina notes: "This evening the Russian president's aircraft arrived in Sofia. The two sides have developed many mutual misgivings about issues both concerning economic and military cooperation. Tomorrow these will be discussed and a 10-year treaty, which can be automatically renewed for another five years, will be signed. Now, however, it is the journalists' turn to put questions to the presidents."

The video shows Yeltsin at the airport.

During the news conference, Khudobina asks: "What amendments should be introduced into Russian-Bulgarian relations?"

Mr. Yeltsin replies: "The first thing is that the treaty must be concluded. We have, of course, left the signing of this treaty too long. We, the Russian side, are to blame."

An unidentified person from the crowd notes: "That is because of bureaucracy, is it not?"

Yeltsin answers: "Bureaucracy still exists. It is still tenacious of life. Bureaucracy is still a little alive even in our young democratic state, although we are trying to strangle it bit by bit. I think this is a completely new stage, an absolutely new stage in our relations. We are now two independent states linked not by an ideology, but by expediency."

Moscow Radio Rossii Network in Russian at 2000 GMT on 3 August notes that Russian Foreign Minister Andrey Kozyrev and Russian Defense Minister Pavel Grachev are accompanying Yeltsin on his Bulgarian visit.

Comments on Relations, Black Sea Fleet
LD0308184992 Moscow ITAR-TASS World Service in Russian 1814 GMT 3 Aug 92

[By ITAR-TASS special correspondent]

[Text] Sofia, 3 Aug—"When the entire empire was disintegrating, there was also a slump in relations between the former Soviet Union and Bulgaria," Boris Yeltsin stated in reply to journalists' questions at Sofia airport, where the Russian president arrived on an official visit today.

At that time, he went on, we did not even have a legal basis, a document, on which we could build our relations. B. Yeltsin noted that it was precisely for this reason that a treaty on bilateral relations and cooperation between Russia and Bulgaria will be signed during the course of his visit. This will also constitute that legal basis, he pointed out. There will then be a development of our relations in all spheres: economic, political, cultural, etc.

The Russian president stated that problems remain in relations between the two countries. Those problems that we have cast aside no longer exist, but new ones may emerge. In our country, in Russia, we still have many problems, and they always exist between states.

B. Yeltsin reported about the talks with Ukrainian President Leonid Kravchuk that were held in Yalta today. We signed with them an agreement on the Black Sea Fleet today, he said. This is a problem for the whole world. This is a problem for everyone, particularly for those in the Black Sea region, and, of course, for Russia, Ukraine, and Bulgaria.

Visits Tomb of Unknown Soldier
LD0408100692 Moscow ITAR-TASS World Service in Russian 0838 GMT 4 Aug 92

[By ITAR-TASS special correspondent]

[Excerpts] Sofia, 4 Aug—Russian President Boris Yeltsin, who is on an official visit here, laid a wreath at the Tomb of the Unknown Soldier today. Russian Federation Ambassador Aleksandr Avdeyev also took part in the wreath-laying ceremony. [passage omitted]

After laying the wreath, B. Yeltsin and his entourage set off for the Boyana residence, where Russo-Bulgarian talks began.

Comments on Collapse of Communism
LD0408104292 Moscow Mayak Radio Network in Russian 0930 GMT 4 Aug 92

[Text] Russian President Boris Yeltsin, who is on an official visit in Sofia, laid a wreath at the Tomb of the Unknown Soldier today. After the ceremony, breaking with protocol, Boris Yeltsin approached residents of Sofia who had gathered on the square. Applause and

greetings were heard. Anxious people approached the Russian president, handing him modest gifts and warmly shaking his hand.

Cordially greeting those assembled there, Yeltsin told them about the talks which had begun with Bulgarian President Zhelyu Zhelev. An empire has collapsed, the head of the Russian state said. The regime which existed both in the former USSR and in Bulgaria has collapsed. The communist regime has collapsed. Our reforms are not progressing easily at the moment, and there are difficulties and problems in Bulgaria too, but I am convinced that we really will implement reform.

Holds News Conference

LD0408110592 Moscow Radio Rossii Network
in Russian 1000 GMT 4 Aug 92

[Text] A joint news conference by Presidents Boris Yeltsin and Zhelyu Zhelev has just ended in Sofia. The Russian leader has been in Bulgaria since yesterday, on his first official visit. During the negotiations, a treaty on friendly relations and cooperation between the two countries was signed. Bulgarian President Zhelyu Zhelev assessed this treaty as a document of historic importance. Boris Yeltsin declared at the news conference:

[Begin recording] I attach very great importance to the treaty signed today, as does our delegation and the leadership of the Russian Federation. Most regrettably, I have to admit that during the year when the former Soviet Union was falling apart and until Russia acquired its independence, many of the ties that had been the tradition for 1,000 years either dried up or lay dormant or were diminished. This did a great deal of damage both to our political contacts and to the economic interests of both Russia and Bulgaria.

Drafting this treaty was not too easy; there were some disagreements, naturally enough, and the presidents had to meet and sign the treaty when it was agreed by all the departments and ministries and governments. Today, following the signing of this treaty, our relations are being put on a firm, law-governed, juridical basis.

This was previously a treaty between the former Soviet Union and Bulgaria. Now of course, relations are quite different, thank goodness! We are no longer tied by ideology. Communism and the totalitarian regime have collapsed. This does not mean, of course, that all the positive things that were accumulated in the life of our peoples over the millenium of our people's history have all to be cast aside. No, indeed not! We must, of course, take from that store whatever is expedient. We must rely not on ideology but on common sense. The treaty brings above all the common sense of two relations, the relations between the two peoples, between the two states. [end recording]

A whole range of Russian-Bulgarian accords including those in the military sphere are expected to be signed on

the basis of the treaty on friendly relations and cooperation. At the news conference, Boris Yeltsin also stated that Russia will continue providing oil supplies to Bulgaria.

The Russian and Bulgarian leaders also appealed to the EC to recognize the independence of Macedonia, one of the former Yugoslav federative republics.

Navy To Participate in Force for Iraq, Yugoslavia

LD0308122192 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1100 GMT 3 Aug 92

[From the "Novosti" program]

[Text] We have just received a report from INTERFAX. The news agency has learned from reliable sources in the Russian Defense Ministry that the Russian Navy has received orders, in accordance with a decision made by the country's president, to prepare a battleship to be sent to the Persian Gulf, if needed. This ship could be a part of the multinational forces opposing Iraq. A decision has also been made to send a Russian battleship as part of the multinational forces that are blockading Yugoslavia at sea. Another Russian warship will set sail for the coast of Romania.

Further on 'Warship' Dispatch

OW0308131992 Moscow INTERFAX in English
1236 GMT 3 Aug 92

[From the "Diplomatic Panorama" feature; by "diplomatic correspondents" A. Borodin and I. Porshnev; transmitted via KYODO]

[Text] As DP [Diplomatic Panorama] learned from sources close to Russia's Defence Ministry, the Russian Navy has been instructed, in accordance with President B. Yeltsin's decision, to prepare a warship for being despatched, if necessary, to the Persian Gulf. If such a need arises, this warship might become a part of multinational forces confronting Iraq.

Besides, it has been decided to send a Russian warship to join the multinational forces engaged in a sea blockade of Yugoslavia.

A third Russian warship will be sent to the coast of Romania.

A highranking military official interviewed by DP's correspondent explains the latter decision with developments in Dniester. According to him, it might have been taken upon consultations with Ukraine.

It has not been decided yet precisely which warships will be despatched to the coasts of Yugoslavia, Romania and possibly Iraq. A final decision on this score is expected to be taken within three or four days when the ships' readiness for such missions is examined.

Navy Chief Denies Warships to Gulf*LD0308133192 Moscow ITAR-TASS in English
1303 GMT 3 Aug 92*

[By ITAR-TASS correspondent Andrey Naryshkin]

[Text] Moscow August 3 TASS—CIS Navy Commander Vladimir Chernavin denied on Monday [3 August] reports that Russian President Boris Yeltsin had ordered warships to get ready for going to the Persian Gulf and the Yugoslav and Romanian coasts.

"I'm unaware of such a decision," Chernavin told ITAR-TASS via telephone.

The Russian General Staff would not confirm the information either.

At the same time, several international organizations monitoring the non-proliferation of weapons in trouble spots have requested the Russian leadership to send warships to the above mentioned regions, TASS learned from a reliable source which refused to be named.

Foreign Ministry Official on Kurils Dispute*LD0108191492*

[Editorial Report] Moscow Radio Moscow World Service in English at 2230 GMT on 31 July broadcasts the "Top Priority" program, hosted by Irina Tkachenko, during which she talks to (Mikhail Galugin), acting head of the Japanese section of the Asian and Pacific Department of the Russian Foreign Ministry, about Russian-Japanese relations.

Tkachenko says the Kuril Island dispute has been the main reason for failure to sign a peace treaty with Japan and notes that the issue will feature prominently during Yeltsin's visit in September. (Galugin) says he does not know what the final solution will be regarding the territorial dispute with Japan but thinks both sides must achieve some mutually acceptable solution.

Tkachenko gives the historical background to the Kuril issue and then reads out part of the joint declaration by the Soviet and Japanese Governments on 19 October 1956 concerning the Kuril Islands. Tkachenko says: "The declaration says in effect, and here I quote: The Union of Soviet Socialist Republics, desiring to meet the wishes of Japan and taking into consideration the interests of the Japanese state, agrees to transfer to Japan the Habomai island and the island of Shikotan. The actual transfer of these islands to Japan to take place after the conclusion of a peace treaty between the Union of Soviet Socialist Republics and Japan." Tkachenko asks (Galugin) whether this is the cornerstone of Russian politics today.

(Galugin) says that he believes that the Russian Federation has continued on from the former Soviet Union and has inherited all the commitments of the Soviet Union on all Soviet international treaties and agreements,

including the joint declaration by the Soviet and Japanese Governments on the Kuril Islands.

Tkachenko moves on to the closed parliamentary hearings on the Kuril Islands, noting that journalists managed to glean from representatives that the Kuril Islands are a zone of Russian national interest and that the government will not be interested in any kind of deal with Japan.

(Galugin) says that it is his belief that in the long term interests of Russia it is necessary to put an end to the confrontation with Japan on the territorial issue. Regarding parliamentary opinions he says they must be taken into account only in the same way that it is necessary for every Foreign Ministry in every country to outline proposals for foreign policy, taking into account the internal situation.

Tkachenko then says that she believes that Russia has all the land it needs, and finds the attitude of some people about not giving up historical land ridiculous and that she cannot help wondering why the dispute over the islands has taken quite so long.

(Galugin) says that he does not agree with this view point. He believes it is important to maintain the unity of the Russian Federation. He states that Russia does not have an officially recognized border with Japan and says that it is the duty of diplomats to resolve the issue with the best interests of Russia and the Russian people as a basis for their negotiations. He believes that there should be no handover of the Kuril Islands in exchange for economic or financial aid from the Japanese.

Tkachenko asks whether (Galugin) is hopeful that a legal and mutually acceptable solution can be found. He replies that he hopes that this will be the case, although he does not know whether it will be in the near future.

Rejects Selling Territory*PM0308113492*

[Editorial Report] Moscow IZVESTIYA in Russian on 1 August 1992 in its Morning Edition carries on page 6 under the headline "Bolsheviks' Stance on Pacific Islands Now and Then" a feature comprising a 400-word article by S. Yastrzhembskiy, director of the Russian Foreign Ministry Information Department, the 200-word minutes of a 3 May 1923 session of the Russian Communist Party Politburo, and a 100-word "recent" appeal to the Russian president and Supreme Soviet.

The 1923 minutes discuss Bolshevik leaders' plans to sell Sakhalin to Japan for 1 billion Japanese yen, while the appeal—adopted, Yastrzhembskiy says, by the "ideological heirs of Bolshevism, the so-called CPSU Central Committee Secretariat, elected at the farcical 29th 'Congress'"—voices concern at reports of the impending transfer of part of the Kurils to Japan and urges Russia's top bodies to state the inviolability of postwar borders and ban talks to hand over any of Russia's territory to foreign powers.

Yastrzhembskiy refers to the two documents and the abortive talks with Japan, and says in conclusion:

"As for the Russian Foreign Ministry, we saw and still do see our main task as being to uphold Russia's national interests. As A.V. Kozyrev said in Petropavlovsk, the approach to Russian territory as a bargaining chip, something to be bought and sold, is categorically unacceptable to Russian diplomacy. The Foreign Ministry has always thought that it is in Russia's national interests to settle its relations with Japan once and for all. This must be done within the framework of legality and justice, on the firm basis of respect for the norms and principles of international law."

'Too Late To Cancel' Yeltsin's Sep Visit

OW0108132192 Moscow INTERFAX in English
1220 GMT 1 Aug 92

[Transmitted via KYODO]

[Text] The official visit of the Russian President to Japan scheduled for September this year "will apparently take place because it is too late to cancel it though it is difficult to say how it will be completed", a member of the parliamentary group "Reform" Viktor Sheinis said on Saturday [1 August] informing the journalists about conversation of the representatives of the group with the head of the Russian state.

The parliamentarian underlined that the results of Yeltsin's visit to Japan depend not only on the Russian but on the Japanese party as well. According to Sheinis, "hawks" of both countries are exploiting the issue on the Kuril islands and the Japanese right circles "prevail in their attempts over the Russian nationalists".

Sheinis pointed out that the President supported the thought on harmfulness of pressure exerted by a certain part of the ruling circles of Tokyo on Russia. Boris Yeltsin agreed that they can not demand from us "everything and urgently" on the territorial problem. Both sides suffer from such a way of solving of the problem, Yeltsin believes.

In this respect the parties examined the role of the Russian Foreign Ministry and its head during the conversation. "We expressed our concern over attacks against Andrey Kozyrev in the right press but the President reassured us once more that the policy pursued by this department corresponds to the national interests of Russia", Sheinis underlined.

Pacific Fleet Chief on Cutting Japan's SDF

OW0108141692 Tokyo KYODO in English
1353 GMT 1 Aug 92

[Text] Vladivostok, Russia, Aug. 1 KYODO—The commander of Russia's Pacific fleet said Saturday [1 August] a reduction in Japan's Self-Defense Forces (SDF) would have a favorable impact on resolving a bilateral territorial dispute.

Adm. G.A. Khvatov said without such cuts, returning four Russian-held islands off Hokkaido to Japan would be a disadvantage to Russia's security.

Khvatov said he cannot understand why Japan will not study disarmament, instead continuing a qualitative buildup of its fleet despite substantial cuts in the Russian Pacific fleet.

He made the remarks in an interview with KYODO NEWS SERVICE in the Russian far eastern port city of Vladivostok, about 1,000 kilometers northwest of Tokyo, where the headquarters of the Russian Pacific fleet is located.

Asked if he supports any decision to be made by Russian President Boris Yeltsin on the territorial issue, Khvatov said, "The Pacific Fleet will implement the president's decision. There will be no questions about that."

For decades, Japan and Russia have been at odds over the Habomai Isles, Shikotan, Kunashiri and Etorofu, which the former Soviet Union seized at the end of World War II.

Japan seeks return of the islands and conclusion of a peace treaty before it enters into major political and economic cooperation with Russia.

Khvatov said Russia's biggest strategic nuclear missile submarines are deployed in its Pacific fleet, but no threat is posed to Japan. The fleet's mission has shifted to a more defensive role, he said.

Its responsibility is to protect Russian interests in the northwestern Pacific and Far East Asian regions, Khvatov said, adding the fleet does not consider the United States, Japan, nor China as enemies.

Over the past three years, the fleet has been cut back by 20 each of nuclear-powered and diesel-powered submarines, and 30 surface vessels, he said.

The number of vessels fell by 290 in the entire Russian Navy during the period, Khvatov said.

Asked about disarmament following demilitarization of the four disputed islands in accordance with Yeltsin's five-stage proposal to solve the issue, Khvatov only said his fleet would implement the move if it was decided by the government.

Yeltsin's plan provides for free economic cooperation between Japan and the islands, but puts off a political solution to the next generation of leaders of the two nations.

Khvatov urged Japan to compromise on the territorial issue as most Russian people are opposed to returning the islands.

Comments Further on Kurils

LD0208085192 Moscow ITAR-TASS in English
0813 GMT 2 Aug 92

[By ITAR-TASS correspondent Vladimir Solntsev]

[Text] Tokyo August 2 TASS—The transfer of the disputed Kuril Islands under Japan's control may impair Russia's security, Russia's Pacific Fleet Commander Admiral Gennadiy Khvatov said.

In an exclusive interview with the Japanese news agency KYODO TSUSHIN, Khvatov said the fleet will obey the orders of Russian President Boris Yeltsin, including those on the demilitarisation of the islands claimed by Japan. He called for a compromise between Russia and Japan to settle the dispute.

The admiral said 40 submarines, including 20 nuclear-powered, and 30 ships have been withdrawn from service in the last three years and expressed puzzlement over Japan's campaign to strengthen its Navy. The reduction of Japan's Armed Forces would facilitate the settlement of the territorial dispute.

Speaking about Russia's military doctrine, Khvatov said it no longer considers the United States, Japan or China Russia's enemies.

Official on Settling Problem With Japan

LD0208170292 Moscow ITAR-TASS World Service
in Russian 1355 GMT 2 Aug 92

[By ITAR-TASS correspondent Vladimir Solntsev]

[Text] Tokyo, 1 August—Russian President Boris Yeltsin, being a determined and honest politician who does not retract his words, is committed to settling the territorial problem in relations with Japan on the basis of principles of legality and justice. However, these principles must be adhered to both by Russia and Japan, stated Sergey Krasavchenko, chairman of the Russian Supreme Soviet Committee for Economic Reform and Property, at a meeting today in the city of Sapporo with Takahiro Yokomichi, governor of the northern Japanese prefecture of Hokkaido.

The Russian parliamentarian expressed the view that the 1956 joint Soviet-Japanese declaration, which, in particular, envisaged the USSR's agreement to hand over the islands of Habomai and Shikotan after the conclusion of a peace treaty, must, without doubt, be observed both by Russia, which has become the successor of the USSR, and Japan. At the same time he stressed the necessity of observing the national interests of both countries, which, in his view, should not be understood only in the way that "some of our hurrah patriots" understand them.

Informing an ITAR-TASS correspondent of the conversation, during which Yokomichi expressed great interest in the recent parliamentary hearings in Moscow on Russian-Japanese relations, Krasavchenko, who actively

participated in these hearings, noted that some Russian media did not quite correctly reflect the results of the discussion. The viewpoint of several deputies was presented as the point of view of the whole Supreme Soviet, whereas other parliamentarians also expressed opinions concerning the necessity of observing the 1956 joint declaration in a package with other accords. According to Krasavchenko, there was no confrontation between the positions of the Ministry of Foreign Affairs and the Russian Parliament.

In the course of today's conversation, the sides were unanimous on the necessity of broadening bilateral relations. At the same time, the Russian parliamentarian noted, it is understood that it cannot happen that certain problems are resolved first, and then others, since this is a unified process both in politics and economics. The view was also expressed that the results of the visit of Boris Yeltsin to Japan, which is to take place in mid-September, will not be confined only to the documents signed during the visit. The main results will be the consequences that this will lead to.

Yokomichi expressed the aspiration of the administration and the people of Hokkaido to develop relations with the Russian far east. In response the Russian side proposed that the attention of Japanese businessmen and politicians should be directed to broadening ties not only with the far east regions, but with Russia as a whole.

'Itogi' Broadcasts Roundup on Kurils Issue

LD0208220792

[Editorial Report] Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian in its "Itogi" program at 1700 GMT on 2 August carries a 23-minute roundup on the Kuril islands issue.

Announcer Yevgeniy Kiselev begins by saying that the most dramatic event of the past week was the hearings in the Russian Supreme Soviet on the territorial dispute between Russia and Japan with regard to the southern Kurils. The hearings were held behind closed doors. We can judge what really took place there only by commentaries given by the main characters specially to the Itogi program. They are: Russia's Minister of Foreign Affairs Andrey Kozyrev; Russian People's Deputy Oleg Rumyantsev; Yevgeniy Ambartsunov, chairman of the Parliamentary Committee on International Affairs and Foreign Ties; Iona Andronov, deputy chairman of the same committee; and Rafik Aliyev, our expert on the Kurils problem, a doctor of history who is the director of the Asian and Pacific Research Center in Vladivostok.

According to Kiselev, Oleg Rumyantsev said in his interview that the southern part of the Kurils is without doubt a zone of the Russian Federation's vital state interests. Iona Andronov stressed the importance of these small islands for the fishing industry and as a military bridgehead. Other participants in the hearings took the opposite view on the matter, holding that the

southern Kurils and the straits separating them have long lost their strategic significance for Russia.

At this point Kiselev introduces a video providing a historical background to debates on the Kurils issue, showing how control over the islands changed hands between 1855 and the 1960's. Kiselev goes on to say that the hearings confirmed the fact that the leaders of the Russian Ministry of Foreign Affairs are still unwilling to disclose delicate details of the issue to Russian deputies on the eve of Yeltsin's visit to Japan, although the position of the Ministry of Foreign Affairs is clear, in principle. His words are illustrated by an excerpt from an interview with Andrey Kozyrev.

Kozyrev says: "It is the principle of lawfulness and justice; namely, it is important, first and foremost, to restore lawfulness, to restore the norms of international law, our obligations. I think that the president's visit will be a decisive step toward ensuring that the issue is at last resolved legally and justly. This is also important from the point of view of ending confrontation in our Far East and Siberia, so that a green light can be given to diverse and comprehensive cooperation with Japan."

Iona Andronov says that the handover of these islands to Japan may result in very serious troubles for Russia, since this may entail territorial claims by China, Latvia, Estonia, and Finland.

Yevgeniy Ambartsumov says: "I think that we should proceed from the 1956 declaration which envisages the change of the status of two of the Kuril Islands, but which does not specify when. At present, because there is a difficult situation in the country, the process of handing over the two islands of Habomai and Shikotan to Japan cannot be pushed. As for the other two islands, I cannot see how an international agreement or treaty of the 1956 declaration type envisages the possibility of their transfer to Japan."

Oleg Rummyantsev airs the possibility of dual Russo-Japanese control of the islands. Iona Andronov says that Yeltsin's visit to Japan is indeed badly timed and that it will do nothing but harm to Russia.

These interviews are followed by a further excerpt of the interview with Andrey Kozyrev, who says: "All discussions which are currently taking place are objectively useful, including the hearings which took place in the Supreme Soviet. Another matter is that there is a number of individuals, parties, and movements which are openly trying to turn this national, state issue into a platform for striking a pose, carrying out political maneuvers, and settling scores, for the sake of their ambitions. This, of course, is regrettable."

The station's expert on the issue, Rafik Aliyev says that for some of Russia's deputies the Kurils problem is nothing but a chance to seize more power. At this point a video of a recent rally held by defenders of the Kurils in front of the Russian Ministry of Foreign Affairs is shown. This is followed by an interview with Itiro

Suetsutu [name as heard], secretary general of Japan's National Security Council, who says that Japan is not wholly satisfied with the position taken by the Russian Ministry of Foreign Affairs on the issue. The interview is followed by a video showing activities of Japan's ultra-right organizations, which believe that their great empire was insulted by depriving it of its territorial gains.

Correspondent Igor Vykukholev then presents a video on life on the Kurils; he says that over the period of almost 50 years, Russia did hardly anything to develop the area. The local residents interviewed find life there uncomfortable. However, people continue to live there since few of them can afford to leave; the current cost of sending a container to the mainland is 79,000 rubles.

Constitutional Commission To Visit Kurils 4 Aug

LD0308142992 Moscow ITAR-TASS in English
1214 GMT 3 Aug 92

[By ITAR-TASS correspondent Yevgeniy Belovitskiy]

[Text] Yuzhno-Sakhalinsk August 3 TASS—A delegation of the Russian Constitutional Commission, headed by its secretary Oleg Rummyantsev, arrived on the Sakhalin Island on Monday [3 August].

On Tuesday, Rummyantsev will fly from Sakhalin to the South Kuril Islands to familiarise himself with the economic and social situation there.

During the trip to Sakhalin and the Kurils members of the Constitutional Commission will meet with representatives of the public and various political parties.

Rummyantsev is well-known in the region as a politician calling for the preservation of Russia's territorial integrity, which was once again confirmed at the recent parliamentary hearings on the problem of the Kuril Islands.

Evidently, it will not be difficult for Rummyantsev to find a common language with the governor of the Sakhalin Region Valentian Fedorov, who comes out for Russia's unconditional jurisdiction over the Kuril archipelago.

Poltoranin: 10-15 Year Transition for Kurils

LD0308200892 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1700 GMT 3 Aug 92

[From the "Novosti" newscast]

[Text] Russian Deputy Chairman Mikhail Poltoranin is helping the Russian Foreign Ministry prepare for Boris Yeltsin's visit to Japan. In an interview with KYODO, he proposed that a 10-15 year transitional period be established for settling the Kurils problem. Japan, Poltoranin said, will have to provide Russia with economic compensation during that period. At a news conference before he departed from Moscow, Mikhail Poltoranin

and Andrey Kozyrev said that during Yeltsin's forthcoming visit to Japan, the range of problems to be addressed cannot be confined solely to the Kurils.

Supports 1956 Declaration

LD0408093492 Moscow ITAR-TASS World Service
in Russian 0630 GMT 4 Aug 92

[By ITAR-TASS correspondents Vasilii Golovnin and Vladimir Solntsev]

[Text] Tokyo, 4 Aug.—The president of Russia and the country's leadership intend to approach settling the territorial problem in relations with Japan on the basis of the joint 1956 declaration. This was said today in a conversation with an ITAR-TASS correspondent by Mikhail Poltoranin, deputy chairman of the Russian Federation government and minister of the press and mass media, who is on a visit to Tokyo, following a meeting here with Michio Watanabe, Japanese deputy prime minister and foreign minister.

The joint 1956 declaration provided for the USSR's agreement to hand over to Japan the islands of Habomai and Shikotan after the conclusion of a peace treaty. This document was ratified by the parliaments of the two countries and is of the nature of a law both for Japan and for Russia, which has become the legal successor to all the treaties and international agreements of the former Soviet Union.

"We are stating officially," Mikhail Poltoranin stressed to the ITAR-TASS correspondent, "that we take the position of the 1956 declaration. We are building relations with Japan not as victor and vanquished but as two countries with equal rights, which must not only be partners but allies. We are building our relations on the principles of justice and legality. It is on this basis that we have to address the territorial problem, too."

At the same time Mikhail Poltoranin said that the territorial issue should be settled without haste and that economists, the military and other specialists should be enlisted in this process after the appropriate legalization, so it does not turn out, according to him, like in the Baltics or Germany, "when we found ourselves in the most disadvantageous situation." "Russia, moving toward logic, justice, and legality, must not suffer economic losses today and put its people in an embarrassing, stupid situation," stressed the deputy prime minister.

According to Poltoranin, there was an interested reaction from the Japanese side to such an approach. "They understand that this is not such a simple problem. They understand the opposition that exists today in Russia to the settlement of these problems. They understand that we cannot make any abrupt moves here. They have quite a normal attitude to the transition period process."

According to Poltoranin, however, the territorial problem is by no means the only issue being discussed

during the current visit. A wide range of issues are involved, first and foremost the question of attracting Japanese investment to the Russian Federation's economy. "We have an interesting program, in particular, in the atomic energy sphere," the deputy prime minister said. "We are currently taking missiles from all the republics to Russia, given that we cannot leave these weapons in the Caucasus, for example, where a civil war is raging. We bear the responsibility to the whole world for this, but the world should understand, too, that this is a problem for all of civilization. The Americans have already joined in this program and are allocating significant sums to build burial grounds for nuclear waste and develop reprocessing plants. Weapons-grade plutonium, for example, cannot be used for peaceful purposes unless special underground atomic power stations are built for this. It was about this that we talked with the Japanese side." Mikhail Poltoranin pointed to interests Russia has in common with Japan in utilizing the Russian Federation's military industrial complex and, in particular, in creating in Russia capacities to produce audiovisual equipment based on conversion programs. The deputy prime minister said he also has suggestions in respect of Yukutia and all of the Far East and joint exploitation of the Pacific Ocean, where, as he commented, "we catch a lot of fish, but a considerable amount of it dies."

Commentary Views Kurils Territorial Issue

OW0108125392 Moscow Radio Moscow in Japanese
1300 GMT 30 Jul 92

[Solton commentary: "The Future of Russian-Japanese Ties"]

[Text] We will broadcast comment by Radio Moscow's commentator Solton on the results of a parliamentary hearing, which was held in Moscow to discuss Russian-Japan relations.

It was an unofficial hearing. Judging from information we obtained or according to those who attended the hearing, it is easy to imagine that both sides often had conflicts during the course of the hearing.

The major topic at the hearing was the territorial issue, which has prevented both side from signing a peace treaty for more than 40 years. After World War II, in which Japan was an aggressor nation, the four Southern Kuril islands—so-called Etorofu, Kunashiri, Habomai, and Shikotan—became a part of the Soviet Union. The Soviet Union no longer exists, but the problem is the fact that the islands are now part of Russian territory. Japan is demanding the return of the islands, but the Russian side is flatly to do so. It is obvious that the territorial problem will become an important issue when President Yeltsin visits Japan in September. As President Yeltsin's visit to Japan approaches, the so-called hawks are expressing their strong opinions both in Russia and Japan. Occasionally they verbally abuse the other side.

The Japanese side is saying that the signing of a peace treaty and effective support for democratic reform,

which is being promoted in Russia, depend on settling the territorial issue. Moreover, Japan tried to take up the territorial issue at the G-7 meeting to pursue the matter further; however, this attempt did not bear fruit. The G-7 member nations think that territorial coordination is a matter between the two countries. Moreover, they also hope that Russian foreign policy, which is based on legitimacy and fairness, will normalize relations between Russia and Japan.

We are certain that President Yeltsin will attend negotiations in Japan with the resolve to normalize bilateral ties; this is exactly the goal of Russian foreign diplomats too. The Japanese demand, which is more or less like an ultimatum, will put the breaks on President Yeltsin's reform and give impetus to antigovernment factional movements in Russia.

A representative of an antigovernment faction, at the hearing, said that no compromise should be made and that Russia's eastern border should not be changed without a national referendum. Legally speaking, however, Russia and Japan have no clear official border because no peace treaty has been signed between them.

Unlike former Soviet President Gorbachev's visit to Japan, we are certain that President Yeltsin's visit will bear fruit. Generally speaking, it seems that a constructive attitude will be noted during the visit.

We need to negotiate with Japan for a peace treaty on the basis of the 1956 declaration, which acknowledges Japan's sovereignty over Habomai and Shikotan. At the hearing, both sides agreed that negotiations for a peace treaty will be long and complicated.

It seems that the issue will not be settled in only one attempt, President Yeltsin's September visit to Japan. At the hearing, both sides merely exchanged views and no decision was made. The only thing that is clear is that both sides will not be able to establish beneficial and indispensable relations without making mutual compromises.

Rutskoy's 'Hasty Visit to Spain' Viewed

*PM0408095792 Moscow IZVESTIYA in Russian
31 Jul 92 Morning Edition p 5*

[Vladimir Vernikov report: "A. Rutskoy's Visit Causes Confusion in Spain"]

[Text] Madrid—Russian Vice President A. Rutskoy's hasty visit to Spain was for some reason described as a "working" visit. Consequently there are problems that have to be urgently resolved on the job. I would venture to say that there are simply no urgent problems that require the vice president to urgently interfere in Russian-Spanish relations.

That is why the news of A. Rutskoy's unexpected trip put the Spanish Government in an awkward position, EL PAIS wrote, if only because it coincided with a meeting

in Madrid of Latin American leaders, their trip with the head of government and Spain's foreign minister to Barcelona and Seville, and also with the ceremonial opening of the Olympic Games. This meant that there was simply no one in the Spanish capital for the vice president to talk to.

Where could he go then? The Russian Embassy suddenly became reminiscent of a frontline headquarters as they tried in a three- or four-day period to get Spain's leaders to agree to meetings with the vice president, meetings which are normally coordinated painstakingly through diplomatic channels three or four months in advance. Their persistence was rewarded—the Spaniards gave in and the schedule for the visit was drawn up, but it still had to begin in Seville; that gave the head of the Spanish Government a chance to make time for just a short conversation.

An impressive delegation assembled: P. Aven, minister of foreign economic relations; A. Volskiy, president of the Russian Union of Industrialists and Entrepreneurs; B. Mikhaylov, prime minister of Kalmykia; four prominent new-wave entrepreneurs; and a whole so-called entourage. Naturally they arrived on a special flight.

Their first meeting—with prominent Spanish businessmen—took place at a good pace and took a well-trodden path of question and answer. The sense of grievance at our inability to pay was met with a payment guarantee. Then came a visit to Spain's largest meat processing concern Campofrio, which has been doing business with us for a long term without very much success. Then came a conversation with F. Gonzalez, chairman of the government and the ministers of foreign affairs, agriculture, and fisheries—meetings which may be useful, but were not an urgent necessity. A. Rutskoy's delegation will spend the last day of their visit to Spain in Barcelona, where they have brief conversations with King Juan Carlos, who is on vacation, and International Olympic Committee Chairman J.-A. Samaranch lined up, along with a visit to the Olympic Games.

Discusses Expanded Trade With Spain

*LD3107195292 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1100 GMT 31 Jul 92*

[Report by correspondent I. Kudrin; from the "Novosti" newscast]

[Text] The surprise visit by Russian Vice President Aleksandr Rutskoy did not take Spain's leaders unaware. At the Zarzuela Palace the Russian visitor was received by King Juan Carlos and later he was received at the government residence by Felipe Gonzalez, the head of the cabinet. The talk mostly concerned the prospects for Russian-Spanish relations and an expansion of bilateral economic links, which plainly do not accord with the potentials of the two states.

Concern over the state of affairs was also a focus of attention at the national headquarters of private business. Why is the volume of trade not increasing? Why are the Spanish government's credits to Russia of \$1.5 billion not being taken up? Aleksandr Vladimirovich Rutskey explained clearly to the country's steel and meat kings what is required of them and what we can offer in return. The sincerity was discernible in the words of Moscow's envoy, but many entrepreneurs there in the hall voiced anxiety and concern. They are scared by our political instability and hesitancy in pursuing economic reforms. [Video shows Rutskey meeting businessmen of the Spanish Confederation of Entrepreneurial Organizations.]

I am aware such an abundance of meat is not really for the eyes of Russia's inhabitants. Nevertheless, it was at this vast enterprise of the Campofrio firm that our delegation saw for themselves that there are the major businessmen include people who are ready to take a risk and place their capital in the areas where we are particularly experiencing need—in the production of bread, milk, children's clothes, and meat. The firm has already built the large-scale Campomos meat processing factory in Moscow and is ready to erect a second and third such factory. The vice president accurately noted the efficiency, businesslike approach, and tenacity of such local enthusiasts. [Video shows Rutskey touring Campofrio meat enterprise then being interviewed by correspondent Kudrin.]

[Begin Rutskey recording] Now the big powers are slapping us, Russia, on the backs and saying: Give, give! However, hardly anyone offers us anything specifically and in reality. The Spanish side is just the opposite, saying: Now let us get down to work. [end recording]

The vice president promised such entrepreneurs full assistance and help. The Spaniards, disenchanted at previous visits by Russian leaders, would very much like to believe what he says as an officer.

Meets Prime Minister

LD3107141992 Moscow ITAR-TASS in English
1124 GMT 31 Jul 92

[Text] Madrid July 31 TASS—King Juan Carlos I of Spain received Russian Vice President Aleksandr Rutskey in the Zarzuela Palace on Thursday [30 July], who is staying in Spain on an official visit. After being received by the King, Rutskey had a conversation with head of the Spanish Government Felipe Gonzalez. They analysed the state of Russian-Spanish relations and discussed prospects of their development. Rutskey pointed out that the Russian Government was studying Spain's experience, specifically in the development of the food sector, and intended to take advantage of it. In this connection Gonzalez suggested cooperation in the implementation of programmes, aimed at improving food supply for the population of Russia.

The Russian vice president met Spanish Minister of Agriculture, Fisheries and Food Pedro Solbes and Minister of Industry, Trade and Tourism Jose Claudio

Aranzadi. They discussed problems dealing with the development of mutually advantageous financial and economic relations between the two countries.

"There is only one way for Russia, that of the reform," Rutskey said at a press conference held in the Spanish capital. A new Constitution should be adopted for this purpose, which will envisage some expansion of the president's prerogatives. In the opinion of Rutskey, Russia might use Spain's vast experience in the implementation of economic transformations during the economic reform, aimed at improving the living standards of Russia's population. He praised the quick decision taken by the Spanish leadership to update the treaty of friendship and cooperation, signed earlier by Spain and the USSR, and to bring it into line with the changed political situation. According to Rutskey, the new treaty will be signed during the forthcoming visit of President Yeltsin to Spain.

Responding to questions of journalists, Rutskey ruled out a possibility of any coup attempt in Russia. "While Boris Yeltsin is president and I am holding this post, nothing like that will happen," Rutskey stressed.

Spanish Foreign Minister Javier Solana, who also took part in the press conference, said the Spanish Government would do its utmost for developing Russian-Spanish cooperation in all spheres. It realises that this cooperation is very important not only from the economic point of view, but also for the stabilisation of the situation in Russia.

Meets Catalanian President; Departs

LD3107195492 Moscow ITAR-TASS in English
1855 GMT 31 Jul 92

[By unidentified ITAR-TASS special correspondent]

[Text] Barcelona July 31 TASS—Russian Vice-President Aleksandr Rutskey arrived here today after completing the official part of his Spanish visit, during which the Russian official met King of Spain Juan Carlos I and Government Chairman Felipe Gonzales.

In Barcelona Rutskey met President of the Catalonia Government Jordi Pujol to discuss prospects for bilateral cooperation and development of economic, cultural and sports contacts.

Pujol praised the results of his meeting with the Russian vice-president, especially noting the Russian interest in attracting the Catalonia business community to participate in the Russian economy. He stressed the Catalonia Government intends to support all representatives of the local business community who will invest in the Russian economy.

Rutskey has also met President of the International Olympic Committee Juan Antonio Samaranch to discuss the influence of the sports, including Olympics, movement on the international political situation. The Russian vice-president noted the role Samaranch played in

the development of the Russian-Spanish relations being the Spanish ambassador in the Soviet Union.

Then, the Russian official visited sports facilities accommodating the 25th summer Olympic games.

Before leaving Barcelona Aleksandr Rutskoy had a dinner with Barcelona Mayor Pascual Maragal.

Tonight the Russian vice-president left for Moscow.

Foreign Ministry Spokesman on Classified Documents

LD3107140192 Moscow *ITAR-TASS in English*
1332 GMT 31 Jul 92

[By *ITAR-TASS* diplomatic correspondent Sergey Staroselskiy]

[Text] Moscow July 31 TASS—The Russian Foreign Ministry has expressed regret over the fact that many state organisations relating to both executive and legislative bodies of power violate instructions on the handling of classified documents, ministry spokesman Sergey Yastrzhembskiy said at a briefing on Friday [31 July].

He expressed hope that the organisations responsible for guarding state secrets and interests will take measures to rule out any such violations and call violators to account.

Yeltsin Orders Investigation

LD3107161592 Moscow *ITAR-TASS World Service*
in Russian 1440 GMT 31 Jul 92

[Text] Moscow, 31 Jul (*ITAR-TASS*)—Russia's Foreign Minister Andrey Kozyrev has stated that on the instruction of Russia's president, the competent services will conduct an investigation into the circumstances of the leak of secret documents from the Foreign Ministry, the results of which will be brought to the notice of the press. Addressing a news conference in Moscow, Kozyrev at the same time discerned a positive feature in the publication of these documents by the *DEN* newspaper.

In Kozyrev's view, the public now knows how intensively and in what close contact the heads of the world's diplomatic departments are working. "This is our foreign policy achievement, which we do not intend to give up," the minister said.

As is known, the *DEN* newspaper, which calls itself the organ of "spiritual opposition," this week published a correspondence between Andrey Kozyrev and U.S. Secretary of State James Baker. Baker in his letters to

Kozyrev, dating back to May-June this year, talks about U.S. and Russian policy with regard to the Yugoslav crisis.

Commenting on this publication, Sergey Yastrzhembskiy, director of the Information Department of the Russian Ministry of Foreign Affairs, does not doubt the fact that the published documents are authentic. Nevertheless, he has accused the *DEN* newspaper of "pseudo-patriotism," and expressed concern with "the newspaper's impunity for anti-state actions, which have not been carried out for the first time." It seems he means here a coded message from Yuliy Vorontsov, Russia's permanent representative at the United Nations, published in this newspaper in May, in which the high-ranking diplomat argued in favor of Russia joining the Security Council's sanctions against Yugoslavia.

Yastrzhembskiy Protests Actions

PM0408084492 Moscow *ROSSIYSKAYA GAZETA*
in Russian 4 Aug 92 First Edition p 7

[Unattributed report on 29 July press briefing by S. Yastrzhembskiy: "Statement by Russian Foreign Ministry Spokesman"]

[Text] At a recent (29 July 1992) briefing at the Russian Federation Foreign Ministry Press Center for Russian and foreign journalists, S. Yastrzhembskiy, director of the information and press department, made the following statement: "The uncivilized, primitive approach adopted by the editorial office of the newspaper *DEN* with regard to the generally accepted forms and norms of modern-day intercourse between states and the leaders of their diplomatic departments is astonishing. This pseudo-patriotic newspaper seeks to portray as some kind of 'state treason' the normal and, you could say, commonplace process of the exchange of information, the coordination of foreign policy moves, and the harmonization of positions, in the shape—among other things—of correspondence between ministers. It is true that the Russian Federation Foreign Ministry and Minister A.V. Kozyrev maintain constant contact—and this includes exchanging letters—not only with the U.S. secretary of state but with many other well-known leaders of diplomatic services. So it was, is, and will remain.

"But what worries us is not so much the feeble-mindedness of the *DEN* editors, who suffer from a syndrome well known from classical Russian literature as 'Smerdyakovism' [reference to character in Dostoyevskiy's "Brothers Karamazov"], as the fact that the newspaper can commit antistate acts—and not for the first time—with impunity. This is not without its dangers, since it is well known that the sleep of reason and, one could add, the sleep of law brings forth monsters."

Political Issues

Report on Embassy Shutdowns Criticized

OW0308131192 Moscow INTERFAX in English
1236 GMT 3 Aug 92

[From the "Diplomatic Panorama" feature; by "diplomatic correspondents" A. Borodin and I. Porshnev; transmitted via KYODO]

[Text] To close too many missions abroad would only jeopardize Russia's diplomatic interests both now and in the future, said Sergey Yastrzhembskiy, chief of the Russian Foreign Ministry's department of information and the press.

The suggestion of Russia's Acting Prime Minister Yegor Gaydar that hard currency allocations for the Foreign Ministry should be cut by half coincided with the intra-ministry plans to optimize the activity of the diplomatic service. "We'll look for a healthy compromise between Y. Gaydar's call and our own plans", S. Yastrzhembskiy stressed.

"When Russia gets the opportunity to restore its diplomatic activity everywhere, its efforts will be hindered by the lack of missions in a number of countries and subregions", he said. Russia's Foreign Ministry intends to prevent this, said S. Yastrzhembskiy.

According to him, the idea is to see whether it's expedient or not to maintain large embassies with staffs exceeding ten persons in the countries of peripheral importance.

In this connection Russia's Foreign Ministry intends to familiarize itself with the experience of some foreign countries, first of all Scandinavian, which maintain "very small, but mobile embassies". The scheme might be the following: the ambassador plus one more diplomat, plus technical personnel hired locally.

According to S. Yastrzhembskiy, one of the ways to "optimize" the composition of diplomatic missions abroad is to set up regional centers whose leaders, ambassadors, would represent Russia's interests in several countries simultaneously.

This or another such formula, he said, will enable Russia to preserve its missions abroad, on the one hand, and, on the other, cut "the unnecessary" expenses. Besides, this will make it possible to "get rid of the ballast which unfortunately still exists in the system of Russia's Foreign Ministry".

Cuts in its staff will enable the ministry to increase salaries for its members who represent Russian interests abroad, the diplomat said.

"The main thing now is to determine the optimal number of diplomats working abroad from the viewpoint of Russia's current financial opportunities, and give up the superpower syndrome along with ambitions

stemming from it that used to guide the Foreign Ministry of the former USSR, S. Yastrzhembskiy pointed out.

Nevertheless he added that "the magic of numbers doesn't fascinate Russia's Foreign Ministry which proceeds primarily from the considerations of "practical expediency" [quotation marks as received]. The reports that Russia intends to shut down about 50 of its embassies and consulates abroad are far-fetched. "A campaign for reducing or shutting down Russian missions abroad is out of the question. Each concrete case will be considered separately", S. Yastrzhembskiy concluded.

Paper Says 'No Doubt' Kozyrev To Retire

MK0108135092 Moscow NEZAVISIMAYA GAZETA
in Russian 31 Jul 92 p 1

[Vitaliy Tretyakov article: "Andrey Kozyrev's Retirement Is Bound To Cause a Dangerous Imbalance of Political Forces in Russia"]

[Text] There is virtually no doubt that Russian Foreign Minister Andrey Kozyrev's imminent retirement is predetermined. Recent confirmation of this is the report that government Deputy Prime Minister Mikhail Poltoranin will head for Tokyo to prepare for the presidential visit. This disavowal of an actually existing Foreign Ministry chief is something of a scandal. Kozyrev was given a fateful "present" at a recent government session—he was instructed to halve the Foreign Ministry's foreign currency expenditure. The minister, with whom many in Yeltsin's entourage are dissatisfied and with whom parliament is fighting almost openly, has now had a bomb put under him. Moreover, he himself must bring fire to bear on the West.

Is the Russian Foreign Ministry working well or badly under Kozyrev's leadership? It can be said with certainty that it is working no worse and in many respects better than most other state institutions. But Kozyrev is a "soft" politician—one of the "softest" in the government. His removal will upset the fragile balance of political forces in the Russian leadership, and consequently in society too.

Of course, Russia is a big country. The switching of one or two major figures will not cause abrupt and immediate political consequences. Yet Kozyrev's replacement is no ordinary event. It could have catastrophic consequences, especially if his successor is not an autonomous and outstanding political figure from the democratic spectrum.

Kozyrev has said many times that he has had to use his foreign policy to back the economic reform policy of the Gaydar team, appointed by President Yeltsin. Kozyrev did this quite successfully in relations with the West, although it is rumored by evil tongues in Moscow that he often "gave away" more to the West than was necessary.

But there are many accusations flying in Kozyrev's direction: He neglected the eastern direction; he did not

defend the interests of Russians in "nearby foreign countries"; and he failed to put forward a concept of Russian national interests (according to my information this concept has been elaborated by Kozyrev's closest colleagues, but he has not been able to make up his mind whether to publicize it). However, all of this is unimportant now, because Kozyrev's retirement will first of all affect Russian domestic rather than foreign policy (the "Kozyrev" foreign policy line will be continued without him just the same).

Three forces are struggling in the Russian leadership under President-referee Yeltsin's command: the "soft" force, which is pro-Western (in its methods, style, and direction of policy)—Kozyrev was one of its main figures; the "pro-Soviet" force, which is traditionalist, "hard," and semi-imperial; and the "swamp" [bolota] line, which is nonautonomous in its ideas but close to Yeltsin personally, and which maneuvers between the poles depending on the president's moods. Currently the entire "swamp" is against Kozyrev. The "hardliners" flank has suddenly become stronger because of the Security Council's formation. It was in this council that the demand for Kozyrev's resignation was voiced. As far as I know, the Army and intelligence leaderships have subscribed to this demand, refusing in ultimatum fashion to cooperate with the Foreign Ministry during the current minister's tenure.

Kozyrev honestly served the policy mapped out by Yeltsin following August 1991, whose essence at that time, briefly speaking, boiled down to Russia's "going it alone." He also fulfilled the set goal of preserving the USSR's place as Russia's international inheritance. He agreed—and this was his mistake—to CIS affairs' becoming part of the Foreign Ministry's remit (this mistake cannot be rectified now). For almost a year he rushed around the capitals of the world and of former Union republics and around sites of interethnic conflicts—not the best disposition for a member of the cabinet and the president's entourage, when a brutal political and personal struggle is being waged in both cabinet and entourage. One of the saddest aspects is that Kozyrev's retirement comes at a time when experience has been accumulated and many mistakes have been rectified and when, in the opinion of authoritative experts, Kozyrev's foreign policy course has started to become clear, autonomous, and effective. If this man is scandalously going to be thrown onto the scrap heap, this will merely whip up the purely base political instincts, now flaring up again, of those who are struggling for power.

[Text] Kozyrev's retirement will mean victory for the hardline policy (and consequently Yeltsin's enforced drift in that direction). Actually, there are virtually no solid intermediate figures between Kozyrev and Gaydar in this government. Kozyrev's removal will mean that Gaydar will be left to run Russia with only a few supporters—his personal economist friends—that is, the

acting prime minister's "social base" inside the government itself will contract sharply. This is the main consequence of Kozyrev's retirement—not the fact that Russia's foreign policy course could change abruptly, even if that does happen.

Some months ago I predicted that Gaydar's government would survive until the end of 1992. After Kozyrev retires, Gaydar will either be forced to turn into a puppet or he will quit his post much earlier than the New Year.

But once again it is not a question of Kozyrev or Gaydar personally. It is a question of the balance of forces in the Russian leadership, of an equilibristic combination of "soft" and "hard" figures in it. In this context, the main question now is not that Kozyrev is leaving (he has made his contribution, and a considerable one at that, to the establishment of democracy in Russia, and he can increase it only by publicizing the concept of Russian foreign policy interests that is lying on his desk). The main question is: Who will take Andrey Kozyrev's place? And who, as a result, wins in Yeltsin's entourage? Nobody must win, otherwise we will lose everything.

Press Secretary Refutes Claim

МК0108135492 Moscow NEZAVISIMAYA GAZETA
in Russian 1 Aug 92 p 1

[NEGA report under "P.S." rubric: "Question of Kozyrev's Retirement Has Not Been Raised, President's Press Secretary Claims"]

[Text] The following statement by the president's press secretary was circulated yesterday morning:

"A number of reports inflating a notion concerning Russian Foreign Minister A.V. Kozyrev's retirement have recently appeared in the mass media. Some of these reports are in the form of political forecasts or even imperative conclusions concerning the inevitability or 'predetermination' of his retirement.

"I am authorized to state on behalf of the Russian president that these conclusions and forecasts have no basis in reality. The question of the foreign minister's resignation has not been raised, has not been discussed, and belongs exclusively to the sphere of political fantasies."

"[signed] Vyacheslav Kostikov, press secretary to the President of the Russian Federation
"Moscow, The Kremlin, 31 July 1992." [Kostikov ends]

Furthermore, Russian Foreign Minister Andrey Kozyrev himself, having learned of this statement early in the morning, informed a NEZAVISIMAYA GAZETA correspondent that the planned visit to Tokyo by Deputy Prime Minister M. Poltoranin had been misinterpreted in the article "Andrey Kozyrev's Retirement" (NEZAVISIMAYA GAZETA 31 July 92). According to the minister, the Russian Foreign Ministry itself initiated this trip. M. Poltoranin is not going to supplant the chief of the foreign policy department but will be making

preparations for the part of B. Yeltsin's visit to Japan that concerns the problems looked after by M. Poltoranin in the government, especially as the aim of the president's visit does not boil down merely to making decisions on the Kurils problem. On the threshold of the president's foreign visits, the Foreign Ministry leadership would generally like as many members of the government as possible to make preparatory trips to the appropriate countries.

'Renewal' Union To Pursue 'Political Struggle'

924C2019A Moscow RABOCHAYA TRIBUNA
in Russian 28 Jul 92 p 2

[Interview with Igor Smirnov, member of the All-Russia "Renewal" Union Coordinating Council, by unidentified correspondent; place and date not given; under the heading "Dialogue With the Reader": "The 'Renewal' Party Is Gaining Momentum"; first four paragraphs are letters from readers]

[Text] Our newspaper has already written about the formation of the All-Russia "Renewal" Union and published its documents. This material has given rise to numerous comments and a large mailbag.

"I very much believe that the 'Renewal' Union will unite the intellectual forces of the peoples of Russia," 44-year-old specialist F. Simakov from Naberezhnyye Chelny writes. "I am a supporter of yours and will help the party in whatever way I can."

Yevgeniy Virin from the city of Navlya in Bryansk Oblast sent in a whole action program of the union. And 73-year-old A.P. Tezova from Nizhniy Novgorod, who still works at a plant, having, as she herself writes, "read in RABOCHAYA TRIBUNA" the appeal to us fellow citizens and compatriots, pronounced: "At last, intelligent people have gotten together.... It is simply essential that I be a member of the 'Renewal' Union."

Many readers ask the editorial office to answer where and how they can familiarize themselves in more detail with the program material of the union, what its organizational structure will be, what is required to join the union, and so forth. Our correspondent put these questions to Igor Smirnov, member of the All-Russia "Renewal" Union Coordinating Council.

[Smirnov] I would like first of all to thank your RABOCHAYA TRIBUNA for its regular coverage of the process of formation of the All-Russia "Renewal" Union. The newspaper has published the program statement (16 June) and other information about the union of interest to the readers. I hope that our collaboration will continue and that we can together with the editorial office recommend that supporters of the "Renewal" Union subscribe to and read RABOCHAYA TRIBUNA.

As far as the nature of the mail is concerned, it is amicable, in the main, and full of hopes for a union of

pragmatists, specialists, and business people coming together for the renewal of Russia.

[Correspondent] How is the formation of local organizations going?

[Smirnov] Structures of the union are being created the most intensively in the large industrial centers, research institutions, and free enterprise economic zones, on the economic and social situation in which the development of political processes and the success of the reforms which have been commenced depend. Judging by the nature of the letters and daily calls we are receiving, the purposes and tasks of the new party have interested not only directors and other managers, as certain politicians prophesied, but also the scientific and engineering-technical intelligentsia, entrepreneurs, specialists, workers and peasants, the youth, and elderly people. The formation of the party is proceeding in composed and organized fashion. Cells of the union are currently operating on almost 30 territories. Large organizations have been created in Moscow and Moscow Oblast, Bashkortostan and Kabardino-Balkaria, Dagestan and North Ossetia, Tver, Yaroslavl, Tyumen, and Stavropol.

The basic work on organization of the structures of "Renewal" locally will, evidently, have been completed in August. For those who are pondering and hesitating I would mention that the path to the union is open to all who see as a way out of the crisis not mass-meeting bawling and threats of a coup but who are prepared, having rolled up their sleeves, to participate in the practical formulation of anticrisis measures.

[Correspondent] Letters ask how to join the union....

[Smirnov] We explained this in detail in RABOCHAYA TRIBUNA in the issue for 19 June. I will repeat the main points.

Any group of citizens recognizing the program and rules of the "Renewal" Union has the right to register a primary organization. Initially the action committee establishes the primary committee and enshrines this decision in a statement drawn up and attested by the founders with obligatory notification of their address and telephone number (to prevent "forgeries"). Subsequently the primary organization is registered in the All-Russia "Renewal" Union Coordinating Council. Those wishing to join "Renewal" apply in writing to the "primary," where the question of admittance is decided. Recommendations are not required.

To obtain a brochure and the requisite material on the procedure of membership of the union and the organization of its local structures people need to call the working group at one of the following Moscow telephone numbers: 261-06-55; 261-06-45; 261-13-82; 261-71-73. We are prepared to send them out by return.

[Correspondent] Is group membership of the union allowed?

[Smirnov] No. According to the rules, membership of the union is individual and fixed.

[Correspondent] How will the primary organizations be amalgamated if several of them arise in a region?

[Smirnov] The parliamentary nature of the "Renewal" Union presupposes amalgamation of the primary organizations by constituency. And they, in turn, may amalgamate by the territorial principle. It would be expedient to take account here of the particular features of our electoral system and the changes which, it has to be assumed, will shortly occur in it.

[Correspondent] Readers are asking who directly is involved in organizing the union.

[Smirnov] The All-Russia "Renewal" Union Coordinating Council was elected, and under its auspices a working group formed, at the constituent conference. Locally, however, this work is being performed by conference delegates or simply enterprising people who have no need of sets of instructions from above. In Bashkortostan, for example, it is being coordinated by Yu. Sharipov, president of the BETO concern; in Tatarstan, by Academician I. Fakhrutdinov; in Moscow, by N. Gonchar, chairman of the Moscow City Soviet; in Moscow Oblast, by A. Dolgolaptev, first deputy chief of the administration; in Tver, by Yu. Sladkov, first deputy chief of the administration; and in Yaroslavl, by Associate Professor V. Sheminov. If there is an absence of such organizers anywhere or if they have not given notice of themselves sufficiently loudly, I call on supporters of the union for "self-determination" and for them to get in touch with us directly.

Incidentally, for a most thorough discussion on the formation of the party it is proposed on 5 September to assemble in Moscow the representatives of all the union's local organizations.

[Correspondent] A number of parties have announced the formation of "shadow cabinets." Will the "Renewal" Union be creating one?

[Smirnov] The question of the creation of a "shadow cabinet" is not a matter of urgency for us. The constituent conference determined a policy of cooperation and constructive support for the president and government of Russia, not opposition to them. But under the auspices of the Coordinating Council we have formed a number of committees, which will analyze government policy and produce anticrisis programs. They are headed by important scientists, specialists, and people's deputies. The Socioeconomic Policy Committee, for example, is advised by Academician Yu. Yaremenko and Professor Ye. Yasin; the Legislative Initiatives and Parliamentary Activity Committee by S. Polozkov, people's deputy and chairman of a subcommittee of the Supreme Soviet of Russia; the Science Committee by Professor V. Shukshunov, president of the Association of Higher School Science and Technology Parks, and Academicians V. Protasov and B. Raushenbakh; the Culture Committee by the well-known motion picture

producer V. Menshov; and the Military Policy Committee by General V. Bocharov and S. Rogov, deputy director of the United States and Canada Institute.

Seventeen committees have been created altogether, and a personnel reserve, which the government and the local administration currently lack, will be formed in them. We would like the All-Russia "Renewal" Union's territorial organizations to recommend their experts for the committees and create similar public institutions locally. If the situation so requires, such a structure could quickly be transformed into a "shadow cabinet."

[Correspondent] Will these committees not become ineffective "paper-shuffling" and garrulous bodies?

[Smirnov] Emphatically no. The time for talk and paper-shuffling has been exhausted by the absolute poverty of the people, the blood of border conflicts, 1.5 million refugees, and regular assurances by the government of Russia of the carryover of the time frame of the advent of the "bright future" to the next six months.

In a letter to the president of Russia on 16 June the Civic Union, of which "Renewal" is a member together with the Free Russia People's Party and the Democratic Party of Russia, declared its readiness to present its own economic program and offer people capable of realizing it. The committees formed under the auspices of the Coordinating Council will shortly be able to reinforce this with comprehensive programs in other areas of government activity. Altogether the programs will constitute the election platform of the alliance of our parties. I am sure that we will be in a position to offer the electorate not mass-meeting figures scoring points in emotional impromptu speeches and rushing to resign at the first contact with real life but practical people who know how to work and achieve the goals promised the people.

[Correspondent] When will there be a "Renewal" congress?

[Smirnov] The Coordinating Council has made the decision to hold the first congress of the All-Russia "Renewal" Union on 24-25 October. As I see it, it will coincide with the time when political passions are at their height. Many social forces are, as is known, preparing for a "fall offensive." I believe that our congress will review the boundaries, forms, and time frame of our immediate actions. Judging by the processes developing in Russia, we will have to formulate a more drastic policy of political struggle.

'Working Russia' Protests Prosecutions

PM3107144792 Moscow SOVETSKAYA ROSSIYA
in Russian 30 Jul 92 p 1

[Unattributed report: "Sticking Up For Ourselves"]

[Text] A return to the lawlessness of the twenties and thirties, when the persecution of political rivals was

followed by show trials—that was how B. Yeltsin's words in Omsk about the criminal prosecution of V. Anpilov, one of the leaders of the "Working Russia" movement, and A. Sterligov, cochairman of the Russian National Assembly Duma, were assessed in a protest from the United Opposition read out at a news conference at the Russian Writers' Union.

The aim of the threat is to leave the people leaderless in the face of a complete production shutdown, unemployment, and famine. The action is being taken at a time when the people's resistance is becoming increasingly organized, opposition movements are multiplying, and the nation is overcoming its agonizing historic split into "Reds" and "Whites" and is starting to think of itself as a unified whole.

We state, the protest says, that we will not hand over our comrades to hired investigators and jailers whose cruelty has been seen repeatedly over the past tragic year. The power of the corrupt and self-seeking, and the regime of nonnational oligarchy are on the wane. Having suffered a tragedy of destruction, the people are channeling their powers and talents into revival. And all patriots—whatever political views they may hold—have a place in this work and creativity.

Gorbachev Interviewed on Volskiy, Food Crisis

PM0308121092 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 1 Aug 92 pp 1,5

[Interview with M. Gorbachev by L. Muratov, Yu. Sorokin, and V. Fronin under the rubric "Once a Month With Gorbachev"; place and date not given: "Do Those Who Eavesdrop on Gorbachev Actually Listen to What He Is Saying?"]

[Text] [KOMSOMOLSKAYA PRAVDA] Mikhail Sergeyevich, at the "White House" and on Staraya Ploshchad they are saying that in a few days time there will be a new chairman of the Russian Government—Arkadiy Volskiy. A year ago, in August, during the days of the State Committee for the State of Emergency, Volskiy was one of the first to exclaim: "Gorbachev is alive and well!" What I would like to know now is this: Can Volskiy be well if he agrees to accept such a post and what is your view of this appointment?

[Gorbachev] First, I do not comment on rumors. If a new chairman of the government appears with a program let us talk about it then if you want to. As for Volskiy—I know him as a politician and practical worker and on the whole I rate him positively. I think that he is displaying a sense of balance and responsibility in these troubled times.

[KOMSOMOLSKAYA PRAVDA] Why did you appoint him at one time to be commandant of the emergency situation zone in Nagorno-Karabakh?

[Gorbachev] There are probably grounds for criticism of him—from one side or the other—but nevertheless he is a man of action.

[KOMSOMOLSKAYA PRAVDA] Does Volskiy's appointment mean that Yeltsin is moving in "your" direction, as it were?

[Gorbachev] Let us not try to read the tea leaves.

[KOMSOMOLSKAYA PRAVDA] Nevertheless, it seems that you now ought to applaud the president's actions. Very many of the things that you said are gradually being adopted day by day and decked out in the garb of decisions. Have industrialists been taken into the government? Has the government program been set out? They are even leaking it in the newspapers. It seems that agreement has almost been reached on CIS coordinating organs. Yeltsin and Kravchuk have been meeting and talking calmly... How do you react to this?

[Gorbachev] I ask myself—what is all this? If it is a reaction to the realities and to criticisms, even sometimes acute ones, from the reformers, and I include myself among them, then I can only welcome this. I am not going to assess those steps now. I am simply responding to your question.

But I must say that this does not address the main thesis that I put forward in my last conversation with you when I characterized the situation in Russia as very complex and even dangerous. Difficult and dangerous. I think that what was said then was right and I am afraid that it is still the case today.

First, there is the food question. I know what this means and it is dangerous to lose time here. This is not like the problem of the ownership of the fleet, months could be spent discussing that.

The peasant has not been given support and if you take into account the continuing poor weather it is clear that the year's results will be very modest indeed. Thus we are going to have a food problem. Just look, the harvest is already drawing to a close in the North Caucasus and grain is not being handed in. But these are our prime grain-producing regions! I want to repeat that unless the government finds a solution to the food question, all the rest will be meaningless.

Second. Millions of people are now returning from vacation—they are returning to plants many of which have long been standing idle. What will happen to them? How will things shape up? I say that it is not just a question of employment—it is clear, generally speaking, that people must work and earn their living. This is, after all, both a source of profits and of goods for the market. I have here the official statistics. I do not entirely believe them but even they show that retail commodity turnover in the first six months was just one-half of last year's level. Commodity turnover has fallen by 42 percent! Do you see what will happen next if there are no goods and industry continues standing idle? Even if wages increase

tenfold that will be no remedy. Therefore we still have the problems of production, taxation policy, financial mutual relations, and all those things which should encourage production. At the moment I do not know whether they have been resolved or not. There is no answer. If you listen to the government, it seems to see everything and to be acting. But every meeting with enterprise workers refutes that. If you add the fact that even the wages that people have earned are not being paid to them, you can see that the situation is dire.

[KOMSOMOLSKAYA PRAVDA] In your view, when will people's patience finally snap? In winter, when the food runs out?

[Gorbachev] I think that we have already reached that point. I am afraid that people will not stand for it if all these questions are not completely clarified in the next few weeks. This does not mean that they will sweep the country away. But I am afraid that the moment will come when the political process could be seized by the most dangerous elements seeking either to take us back to the past or at least establish the kind of regime which in character will be no different from that of the past but could even be worse.

That is why the government must not waste time.

[KOMSOMOLSKAYA PRAVDA] What do you think about the situation concerning IZVESTIYA? The Supreme Soviet published a resolution recently which essentially turns a hitherto independent newspaper into a dependent and subordinate one...

[Gorbachev] In principle this situation really worries me. I do not think that the government and the parliament should not try to convince the press about its programs, no. That is only natural. But attempts to tame the press, to pressure it using economic levers in one case and legal and political ones in another are completely wrong. This is contrary to all reforms and democracy. For all the criticisms that I have had of a number of publications in IZVESTIYA recently, I side with IZVESTIYA on this occasion.

[KOMSOMOLSKAYA PRAVDA] In my view, this is simply a power struggle between the Supreme Soviet and the government. The Supreme Soviet, the president, and the government are vying with one another. The Supreme Soviet wants to take control of the television and radio. At the same time economic methods are being used to destroy newspapers with circulations in the millions such as TRUD, KOMSOMOLSKAYA PRAVDA, and IZVESTIYA; these newspapers are simply sinking. Newspapers with circulations in the hundred thousand range capable of opposing the Supreme Soviet do remain but they will be completely harmless to it. Quite the reverse, they will demonstrate the existence of pluralism of opinions and complete order in the realms of freedom of speech. Consequently what will be left with as we go into the referendum and elections? He who controls the mass media has real power.

[Gorbachev] In the specific instance of IZVESTIYA, since events have taken the turn that they have, clearly the thing to do is to appeal to the Constitutional Court. It seems to me that there must be sufficient common sense on all sides to find a way of meeting with and understanding one another without going to the Constitutional Court.

[KOMSOMOLSKAYA PRAVDA] But this simply convinces me, for example, that Yeltsin was right when he said that it is impossible to deal with this parliament.

[Gorbachev] I do not share that view. Because it is contrary first of all to my principled position: Given that we have a Congress and a Supreme Soviet, and they are the result of free elections and, incidentally, they elected the present president and the chairman of the Supreme Soviet, so they cannot then be treated that way. If the judiciary and the legislature are reduced to naught, tyranny will begin.

[KOMSOMOLSKAYA PRAVDA] Have you been following developments at the Constitutional Court? What is your view of events there?

[Gorbachev] This merely convinces me of what I said earlier: This investigation threatens to develop into a political trial. Regrettably, that is what is happening. I think that this increases the tension in society and is conducive to a split in it. The opposing political forces are taking advantage of that. Therefore I believe that since the court has embarked on the examination of this case (and I doubt the legal validity of such a decision), it must complete the examination as quickly as possible and not turn into a trial of history.

I remember the Supreme Soviet that I addressed after Foros when people in the hall shouted: "Sweep the Communists away!" I said then: You know, if you intend to sweep away 18 million Communists, 50 or 70 million people if you include their families, you must have flipped your lid. Even Stalin with his sick mind did not go that far. I said all that then. That was also when the decree suspending the activity of party structures was signed. Indeed, this decree contained all that was necessary. Party property was transferred to local organs. But the second decree—dated 6 November—was very contradictory legally speaking. I believe that the court will reach the right decision.

[KOMSOMOLSKAYA PRAVDA] Ivanenko, the former leader of the Russian KGB, is reported to have given the court documents pertaining to the bugging of members of the Interregional Deputies' group, Yeltsin, and the government, documents bearing notes in your handwriting...

[Gorbachev] I have been asked similar questions by the investigators of the Russian Prosecutor's Office—in connection with the proceedings that have been instituted on State Security workers allegedly exceeding their powers. I told them and I want to tell you now: Neither Chebrikov nor Kryuchkov, in all their years of work when I was general secretary and later USSR president,

made any requests on these questions. I could not authorize operational measures of that kind.

Second. All these are probably documents which emanated from counterintelligence. The latter constantly uses all the means at its disposal in its work. In our perestroika times that meant that the subjects under observation entered into broad contact with all sorts of people, some of them quite well known people. I think that this is the possible source of such information. I know of no other instances. If surveillance took place it was unlawful. Now, by the way, I have received information that they are bugging me wherever I go. Yes, they are bugging me—I know that.

[KOMSOMOLSKAYA PRAVDA] Can we publish that?

[Gorbachev] Of course, let them read as well as listening.

[KOMSOMOLSKAYA PRAVDA] Mikhail Sergeyevich, I am bound to recall of course that a certain anniversary falls due soon. On that occasion we at the newspaper formulated a number of questions about Gorbachev's stay in Foros which he did not answer. Do you remember, you said: I am not going to tell anyone all that I know.

[Gorbachev] That did not relate to Foros. I was speaking in connection with Foros, but I said that in general terms. Yes. What do you think? No president will ever tell you everything. Perhaps with one exception.

[KOMSOMOLSKAYA PRAVDA] We printed a photograph: It showed a bottle of "Gorbachev" vodka with the caption: If someone can help us answer the question, for example, of how the film from Foros managed to reach the mainland and who brought it there, would that person come to the editorial office and collect the bottle as a prize. Someone turned up. We gave him his prize.

[Gorbachev] Even I did not know the answer to that. While I was there I thought up various channels, quite plausible ones, too. One was via Chernyayev, another via Irina, my daughter, the third through one of our officers. I do not want to divulge the details even today.

[KOMSOMOLSKAYA PRAVDA] Did you see "Moment of Truth" with Yanayev?

[Gorbachev] I did not, but you know, I see that they are all giving interviews to the press. It is clear to me that this is a coordinated line. They have two main points. First, they say they were thinking about the fate of the state. If so, the question is, what was the reason for the putsch if a treaty was about to be signed the next day, because that determined the fate of the state. They were protecting their own skins, that is all. What has that to do with the fate of the state? I think that my conversation with Yeltsin and Nazarbayev at Novo-Ogarevo was bugged and recorded. What we were doing there was in the nature of a preliminary exchange to the effect that there was no need to wait for a new constitution and power could be reorganized immediately after the treaty was signed. With a new president, elected by the people, a new parliament elected on different

principles, and a government. The arrangement of forces and even personnel were named.

[KOMSOMOLSKAYA PRAVDA] Can you tell us who?

[Gorbachev] No. You will read it all in my book.

That is their first thesis. The second is that Gorbachev knew everything. Linking Gorbachev with this—the aim of all that is quite clear. Especially if you bear in mind that under our criminal law a man accused of some crime is not obliged by the law to tell the truth. He defends himself using every means at his disposal.

[KOMSOMOLSKAYA PRAVDA] Do you know what actions the putschists intended to take against you?

[Gorbachev] I was told by a well-informed man that after I had refused to take any part at all in this adventure Yazov and Boldin proposed that the president be eliminated physically. Kryuchkov objected and the proposal was not adopted that day.

[KOMSOMOLSKAYA PRAVDA] Are you expecting a trial or are you completely indifferent to its verdict?

[Gorbachev] I do not want to discuss that topic. It is clear to me as a politician and a lawyer that these people have taken a criminal path. Let the investigation and the court decide, that is their prerogative. I am struck by the fact that all these newspapers, whatever their orientation, from KOMSOMOLSKAYA PRAVDA to DEN, are suddenly vying with one another to see who can be first with information from the Matrosskaya Tishina jail, who can inform the public and the world at large about the thoughts of those people who last August almost plunged the country into the chaos of war. It is amazing.

I think that the most important thing now is the lesson of all this, the court can settle the rest. This lesson is important to society. What did the putschists do? They interrupted the evolutionary path of the transformation of a unitary state into a union of sovereign states, they halted the beginning of the anticrisis program in the economy, they disrupted the process of the party's reform and provoked a process of disintegration along a path so hard to control that we still cannot cope with it. This is a grave blow and society must understand that well.

But for that August many things would have been different.

Economic Issues

Gaydar, Gerashchenko in 'Closed-Door' Meeting

OW0308194292 Moscow INTERFAX in English
1838 GMT 3 Aug 92

[Transmitted via KYODO]

[Text] As IF [INTERFAX] learned from well-informed sources in the banking circles, on Monday [3 August] Yegor Gaydar met with acting Chairman of the Russian

Central Bank Viktor Gerashchenko. The sources say the meeting was also attended by Russian Finance Minister Vasily Barchuk. This closed-door meeting focused in particular on Russia's transition to a convertible ruble and paying off mutual debts of enterprises.

The day before at a meeting in the Russian parliament Deputy Chairman of the Supreme Council Yuriy Voronin suggested that the transition to a convertible ruble would be possible only after the economic situation gets stable. At Sunday's meeting which was attended, apart from leaders of the parliament, by high-ranking government and Central Bank officials the new leadership of the Bank was recommended to work out a program for transition to a convertible ruble.

Conflict 'Flaring Up' Around Central Bank

'Diametrically Opposed' Views Aired

LD0308191292 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1700 GMT 3 Aug 92

[From the "Novosti" newscast]

[Text] A conflict is again flaring up around the Central Bank of Russia. According to an interview with INTERFAX by Yuriy Voronin, deputy chairman of the Russian parliament, the total amount of enterprises' mutual unpaid debts today exceeds 3 trillion rubles.

The decision adopted by the new leadership of the Bank of Russia in this situation regarding the granting of credit to cancel payment liabilities is the only correct solution.

At the same time, at the Reform coalition's news conference today it was said today that the bank's instruction essentially gives market reform up for lost and makes Russia's return to dictatorship inevitable. It will lead to hyperinflation, the collapse of the financial system, and to overall shortages. Social discontent will sweep away Gaydar's government, then the parliament and the president. So the points of view are diametrically opposed.

Plan Causes Reformers 'Indignation'

PM0308153092 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 1 Aug 92 p 2

[I. Savvateyeva article: "So August Is Beginning? Central Bank Ready for Economic 'Putsch'"]

[Text] There is more uproar among the hierarchy: In the absence of Gaydar and Khasbulatov, who are on vacation, Viktor Gerashchenko, acting chairman of the Central Bank of Russia, has sent to commercial banks a telegram whose contents have caused a storm of indignation among reformers. Essentially, the telegram envisions solving the problem of reciprocal nonpayments by means of the Central Bank's issuing credit to cover the enterprises' debt.

In the government's opinion, this will mean the issue of 1.5 trillion rubles [R] before the end of the year and inflation of 70 to 80 percent. The consequences are obvious. On the one hand, the IMF partners will refuse all support for the Russian reforms and Russia will be dismissed from the Paris Club (under the agreement with the IMF, credit issue must not exceed R650 billion this year). And on the other hand, there will be a furious rise in prices. If that happens, the democrat reformers believe, a tragic outcome is inevitable: The people will take to the streets and the reforms will end. "This is the beginning of another August," Petr Filippov, a leader of the parliamentary reform coalition, said commenting on the telegram.

The reformers themselves have suggested that the problem of reciprocal nonpayments be resolved in the following way. The government borrows from the Central Bank a credit of R500 billion and passes it on to enterprises to cover the shortage of circulating capital. It does this selectively—only to competitive production units and only to those that are restructuring themselves along market lines. Thereafter this plan envisions a process of bankruptcy and consequently the automatic liquidation of a proportion of debts. And finally, the residual debts are liquidated "by means of debt recovery and the issue of convertible debt instruments and other securities." It is planned to do this before the end of 1993. The whole procedure is outlined in detail in the president's decree.

Meanwhile, skeptics believe that fulfillment of this decree will also lead to an issue of credit, although not so obvious or all at once, as in the Gerashchenko version.

Obviously, time will tell who is right in this debate. Meanwhile there is uproar among the hierarchy. S. Ignatyev, deputy chairman of the Central Bank, has stated, according to unofficial sources, that he will resign if Gerashchenko's plan begins to be implemented. Pro-Gaydar ministers (everyone except Khizha) are insisting that the telegram does not correspond to Yeltsin's decree and are demanding that the acting chairman withdraw those points which deal with credit issue.

Meanwhile, Gerashchenko himself is thinking. It is clear that he will make the final decision on Monday.

Shumeyko 'Against' Bank Plan

OW0308140892 Moscow INTERFAX in English
1335 GMT 3 Aug 92

[Transmitted via KYODO]

[Text] Petr Filippov, chairman of the parliamentary Sub-Committee for Privatization, said during a press conference on Monday that the decision to extend loans to state enterprises for covering their mutual debts, taken by acting chairman of the Central Bank of Russia, Viktor Gerashchenko, is "pushing the country into the abyss of horrendous economic crisis". To carry this plan through, an additional 1 billion roubles, unbacked by goods, will

have to be injected into Russia's economy, all of which will increase the monthly inflation rate to 70-80 percent.

Petr Filippov believes that such a decision may also cause the bankruptcy of private enterprises, since the bank will not reserve credits for covering the state enterprises' debts to private companies, cooperatives and collective farms.

Among the reasons why Gerashchenko has taken such a decision was "pressure from the arms-industry complex", said Filippov. He also noted that there is no unanimity on the decision in the Russian government. For instance, it is backed by Vice-Premier Georgiy Khizha and Minister for Energy and Fuel Viktor Chernomyrdin. First Vice-Premier Vladimir Shumeiko is against it, said Viktor Filippov.

Bank 'Torpedoing' Reforms

LD0308161592 Moscow ITAR-TASS in English
1341 GMT 3 Aug 92

[By ITAR-TASS correspondent Oleg Velichko]

[Text] Moscow August 3 TASS—The Russian Republican Party has accused the Central Bank of Russia of torpedoing economic reforms in Russia and veering the country back to totalitarianism.

In a statement made on Monday, the party Political Council blasted bank chairman Viktor Gerashchenko for violating Russian President Boris Yeltsin's decree on the normalisation of settlements in Russia by issuing credits to state enterprises to cover their debts.

The council warned that the move may paralyse the Russian industry and plunged the country into a chaos.

The statement accused Gerashchenko of an attempt to "take revenge" and urged the president and the government to act promptly to defend democracy in Russia.

Gleb Yakunin, co-chairman of the Coordinating Council of the Democratic Russia Movement, pointed to the increasingly growing "polarisation between the legislative power represented by the ever more conservative Supreme Soviet and the executive power represented by the president and the government."

Central Bank May Lower Interest Rates

OW0308184192 Moscow INTERFAX in English
1556 GMT 3 Aug 92

[Transmitted via KYODO]

[Text] The deputy chairman of the Central Bank of Russia, Vyacheslav Solovov, at a press-conference on Monday [3 August] announced that interest rates on credit granted by the Central Bank to commercial banks might be lowered.

He did not clarify up to what level the rates would be lowered. At present, the interest rate is 80 percent

annually. At the same time, experts think that the rate will probably not exceed 50-60 percent.

Central Bank Aide on Purchasing Hard Currency

PM0408084192 Moscow IZVESTIYA in Russian
30 Jul 92 Morning Edition p 2

[Ivan Zhagel report: "Now Everyone Can Buy as Much Foreign Currency as They Want"]

[Text] It has already been reported that the Central Bank of the Russian Federation has given commercial banks permission to sell foreign currency for rubles without restriction or the need for a foreign passport or exit visa to be presented. At the same time, the amount of foreign currency that can be taken abroad without special permission has been increased to \$500.

Commenting on this decision for IZVESTIYA, D. Tulin, deputy chairman of the Central Bank of Russia, noted that the factors in the adoption of the new regulations were common sense and a desire to legalize operations that were being carried out unrestricted on the black market. After all, it is no secret that any amount of dollars can now be bought and sold at numerous kiosks or simply on the street—it is just a question of the exchange rate.

The previous regulations led to many commercial banks quoting two rates. The less advantageous rate was used for those who were going abroad and wanted to buy currency over and above the set norms.

We believe, D. Tulin said, that if buyers of currency are not scared of declaring their income—and the payment of accumulated sums of rubles to a bank is to all intents and purposes a declaration of income—then such clients can be sold any amount of currency.

Purchases of over \$500 can only be carried out upon presentation of an ordinary passport, the main information in which is entered in a special bank log and stored for two years. This rule can hardly be considered discriminatory—after all, in the United States, for instance, banks must report deposits of more than \$10,000 in personal accounts not only to the tax inspectors, but to the FBI.

Citizens now have a chance to buy foreign currency. But will the banks sell it? The new Central Bank instructions state that if a bank only accumulates foreign currency and does not sell it, it could be stripped of its license to conduct foreign currency operations. Incidentally, this purely administrative measure will most probably not be very effective, and the problem will only be resolved with the development of the foreign exchange market.

As for the restrictions on taking foreign currency abroad, these are not very tough: \$500 can be taken through customs without any permission and even more can be taken upon production of a bank authorization stating

that the money has been withdrawn from a personal account. The bank can issue such authorization when currency is purchased.

Nechayev Plays Down Severity of Crisis

*LD0408045192 Moscow ITAR-TASS World Service
in Russian 2320 GMT 3 Aug 92*

[By ITAR-TASS correspondent]

[Text] Moscow, August 4—"The situation in the economy is fairly grave, but I wouldn't overdramatize it," Andrey Nechayev, the Russian Federation's economics minister, told ITAR-TASS last night before speaking live on the "Ekho Moskvy" radio station. In his words, the situation "does give certain grounds for optimism." The economy is now operating according to entirely new principles, although there are some hiccups. "Within a few months we have scrapped the state order, distribution of resources, quotas, and allocations," he stressed.

Enterprises are establishing normal market links with each other. "We can not say that there has been some kind of across-the-board collapse in production," the minister commented. "Over the past few months, there have not been any mass shutdowns or closures in industry. The drop in output is not much greater than that of 1991. Then it was 10 percent, and according to the semi-annual figures, this year it is 14 percent."

Part of the decline is indeed due to the reform and to price liberalization, Nechayev noted, and added that in his opinion "they are still not entirely free... they are still badly distorted by both monopolism and the region-by-region fragmentation of our market," he stressed. "But, nonetheless, this is an entirely new situation, an entirely new price and cost structure."

Deprived of their vast state subsidies, many enterprises have proved to be inefficient. "This is a normal, objective situation," the minister said. "We have to go through this fairly painful but essential period of structural reform, otherwise we will never rebuild our extremely ugly, deformed economy." According to Nechayev, the government's task is to make this process less painful for social and political considerations, in particular "to stabilize the ruble exchange rate and bring it down to a sensible, normal and economically justified level."

Officially, ruble convertibility does exist, the minister said. But the problem, in his opinion, is that "the ruble exchange rate remains highly volatile...and we can not get by just regulating our currency or passing some laws," the minister commented. "The foundation for true ruble convertibility is financial stabilization, which we are working on. This is one of the reasons why the government, despite the criticism, is nonetheless concentrating on financial stabilization with, I would say, fatal perseverance."

"Unless we revive the country's internal financial situation we will never make our currency convertible," Nechayev concluded.

Zorkin Writes Yeltsin on Appeals to Court

*LD0408101292 Moscow Mayak Radio Network
in Russian 0800 GMT 4 Aug 92*

[Text] Valeriy Zorkin, chairman of the Constitutional Court of the Russian Federation, has sent a written statement to the president of Russia which states, in particular, that the Constitutional Court has received more than 100 appeals, including appeals from the Federation of Trade Unions of Russia. They contain information about the delay in the payment of wages, pensions, grants, and vacation allowances and demand that the observation of the constitutional rights of citizens should be guaranteed.

Zorkin draws the president's attention to the fact that when production is falling, when there is inflation and increasing prices, further delay in settling with citizens will lead to a decline in their confidence in the authorities and the wrecking of the economic reform, destroying civil peace and accord.

The statement requests that the necessary measures should be adopted immediately for defining illegal actions.

All-Russia Industry Conference Rescheduled

*OW0308101792 Moscow INTERFAX in English
0925 GMT 3 Aug 92*

[Transmitted via KYODO]

[Text] Slated at the RF [Russian Federation] Supreme Soviet's initiative for August 13-14, an All-Russia conference of industrial managers, trade unions, and industrial committees of all levels, has been postponed to September 17-18. As the Russian Parliament's vice-speaker Yuriy Voronin reported to IF [INTERFAX] on Monday [3 August], the meeting has been rescheduled in the hope that by mid September the crisis with solvency in industry "would be over and the conference would be able to work out recommendations, essential for economic recovery".

Mr. Voronin disclosed that on August 1st, enterprises' insolvency totalled 3 trillion rubles. Mr. Voronin regards as the "only correct steps" the decision adopted by the new leadership of the Central Bank of Russia to grant credits to eliminate the insolvency and the decision of the Finance Ministry to index enterprises' working assets.

Further on New Oil Regulations

*OW0408105292 Moscow INTERFAX in English
0930 GMT 4 Aug 92*

[Transmitted via KYODO]

[Text] Under instructions from President Yeltsin, special regulations concerning supplies of oil products has been

introduced as of August 1 for the time of harvesting, accumulating fuel stores for the winter and the delivery of oil products to the Extreme North.

At least 90% of the output of oil products are to be sold through the government network. Oil refineries are given low interest credits. Priority will be given to oil in transportation. The Russian Federation is also introducing a new system of oil export quotas.

Law on Currency Regulation, Control

92SD0601A Moscow KOMMERSANT in Russian
No 29, 13-20 Jul 92 pp 22-23

["Law of the Russian Federation: On Currency Regulation and Currency Control"]

[Text] On 14 July the Russian Federation Supreme Soviet adopted in its second reading the Russian Federation law "On Currency Regulation and Currency Control," which goes into force from the time of its publication. In the opinion of experts, the new law was developed taking into account the strategic prospects for the functioning of the currency system of Russia under conditions of full domestic convertibility of the ruble. In this connection the possibility of its effective use as an instrument for operational regulation of the already developed currency market seems problematic.

The present law determines the principles for the performance of currency operations in the Russian Federation, the authority and functions of currency regulation and currency control, and the rights and responsibilities of legal entities and individual persons with respect to the ownership, use, and disposal of currency assets, as well as the liability for violation of currency legislation.

Section I. GENERAL PROVISIONS

Article 1. Basic concepts

The concepts used in the present law mean the following:

1. "Currency of the Russian Federation"

a) rubles in circulation and also confiscated and withdrawn from circulation but subject to exchange, in the form of banknotes of the Central Bank of the Russian Federation and coins;

b) ruble funds in bank accounts and other credit institutions outside the Russian Federation on the basis of an agreement concluded between the Government of the Russian Federation and the Central Bank of the Russian Federation with the corresponding organs of the foreign state for the use of currency of the Russian Federation as a legal means of payment on the territory of the corresponding state.

2. "Securities in the currency of the Russian Federation": payment documents (checks, drafts, letters of credit, and so forth), capital assets (shares, bonds), and other promissory notes expressed in rubles.

3. "Foreign currency":

a) monetary bills in the form of banknotes, treasury notes, and coins which are in circulation and are a legal means of payment in the corresponding foreign state or group of states, and also monetary bills that have been confiscated or withdrawn from circulation but are subject to exchange;

b) funds in accounts in monetary units of foreign states and international monetary or payment units.

4. "Currency values":

a) foreign currency;

b) securities in foreign currency—payment documents (checks, drafts, letters of credit, and so forth), capital assets (shares, bonds) and other promissory notes expressed in the foreign currency;

c) precious metals—gold, silver, platinum, and metals of the platinum group (palladium, iridium, rhodium, ruthenium, and osmium) in any form and condition with the exception of jewelry and other consumer items and also scraps from these items;

d) natural precious stones—diamonds, rubies, emeralds, sapphires, and alexandrites in crude or processed form, and also pearls, with the exception of jewelry and other consumer items made from these stones or scraps from them.

The Government of the Russian Federation categorizes items made of precious metals and natural precious stones as jewelry or other consumer items and scraps from them.

5. "Residents":

a) individual persons with permanent residence in the Russian Federation, including those temporarily staying outside the Russian Federation;

b) legal entities created in keeping with legislation of the Russian Federation and located in the Russian Federation;

c) enterprises and organizations that are not legal entities created in keeping with legislation of the Russian Federation and located in the Russian Federation;

d) diplomatic and other official representatives of the Russian Federation located outside the Russian Federation;

e) branches and resident representatives indicated in subpoints "b" and "c" of the present point located outside the Russian Federation.

6. "Nonresidents":

a) individual persons with permanent residence outside the Russian Federation, including those temporarily staying in the Russian Federation;

b) legal entities created in keeping with legislation of foreign states with locations outside the Russian Federation;

c) enterprises and organizations that are not legal entities created in keeping with legislation of foreign states with locations outside the Russian Federation;

d) foreign diplomats and other official representatives and also international organizations and their branches and representatives located in the Russian Federation;

e) branches and representatives of nonresidents indicated in subpoints "b" and "c" of the present point.

7. "Currency operations":

a) operations related to the transfer of property rights and other rights to currency assets, including operations using foreign currency and payment documents in foreign currency as a means of payment;

b) importation and remittance of currency assets to the Russian Federation and also their exportation and remittance out of the Russian Federation;

c) international monetary transfers.

8. Operations with foreign currency and securities in foreign currency are divided into current currency operations and currency operations involving the movement of capital.

9. "Current currency operations"

a) transfer of foreign currency to the Russian Federation and from the Russian Federation to settle accounts for exports and imports of goods, work, and services and also to settle accounts related to credit for export-import operations for a period of no more than 180 days;

b) receipt and granting of financial credit for a period of no more than 180 days;

c) transfers to the Russian Federation and from the Russian Federation of interest, dividends, and other incomes on deposits, investments, credit, and other operations involving the movement of capital;

d) transfers of a noncommercial nature to the Russian Federation and from the Russian Federation, including transfers of sums of wages, pensions, alimony, inheritances, and also other similar operations.

10. "Currency operations involving the movement of capital":

a) direct investments, that is, invested in the charter capital of the enterprises for the purpose of earning income and gaining the right to participate in the administration of the enterprise;

b) portfolio investments, that is, the acquisition of securities;

c) transfers in payment for buildings, structures, and other property, including land and minerals categorized according to legislation where it is located as real estate and also other real estate rights;

d) granting and receiving of payment deferrals for periods of more than 180 days for exports and imports of goods, work, and services;

e) granting and receiving of financial credit for periods of more than 180 days;

f) all other currency operations that are not current currency operations.

11. "Authorized banks"—banks and other credit institutions that have received licenses from the Central Bank of the Russian Federation for conducting currency operations.

Section II. CURRENCY REGULATION

Article 2. Protection of the currency of the Russian Federation

1. Settlements among residents are carried out in the currency of the Russian Federation without restrictions.

2. The procedure for the acquisition and use in the Russian Federation of currency of the Russian Federation by nonresidents is established by the Central Bank of the Russian Federation.

3. The exportation and remittance from the Russian Federation of currency of the Russian Federation and securities expressed in the currency of the Russian Federation and also the importation and remittance to the Russian Federation of currency of the Russian Federation and securities expressed in the currency of the Russian Federation are carried out by residents and nonresidents according to the procedure established by the Central Bank of the Russian Federation in conjunction with the State Customs Committee of the Russian Federation.

4. Transactions concluded in violation of the provisions of the present law are invalid. Individuals concluding such transactions bear criminal and administrative liability in keeping with legislation of the RSFSR.

Article 3. The right to ownership of currency assets

1. Currency assets in the Russian Federation can be owned by both residents and nonresidents.

In the Russian Federation the right to ownership of currency assets is protected by the state along with the right to ownership of other objects of ownership.

Kinds of currency payments to the state are determined by laws of the Russian Federation. All other payments and mandatory withholdings are prohibited and are not subject to mandatory execution.

2. The procedure for completing transactions with precious metals and natural precious stones in the Russian Federation is established by the Government of the Russian Federation.

Article 4. The domestic currency market of the Russian Federation

1. Residents have the right to buy foreign currency on the domestic currency market of the Russian Federation according to the procedure and for purposes determined by the Central Bank of the Russian Federation.

2. The purchase and sale of foreign currency in the Russian Federation are conducted through authorized banks according to the procedure established by the Central Bank of the Russian Federation.

Transactions for purchase and sale of foreign currency may be conducted directly through authorized banks and also through currency exchanges operating according to the procedure and under conditions established by the Central Bank of the Russian Federation.

The purchase and sale of foreign currency bypassing authorized banks is not allowed.

3. Transactions for purchase and sale of foreign currency concluded in violation of Points 1 and 2 of the present law are invalid.

4. The Central Bank of the Russian Federation may conduct operations for buying and selling foreign currency in order to regulate the domestic currency market of the Russian Federation.

Article 5. Residents' accounts in foreign currency

1. Residents may have accounts in foreign currency in authorized banks.

2. Residents may have accounts in foreign currency in banks outside the Russian Federation in cases and under conditions established by the Central Bank of the Russian Federation.

3. The procedure whereby authorized banks open and keep residents' accounts in foreign currency is established by the Central Bank of the Russian Federation.

Article 6. Residents' currency operations in the Russian Federation

1. Residents conduct current currency operations without restriction.

2. Residents conduct currency operations involving the movement of capital according to the procedure established by the Central Bank of the Russian Federation.

3. Residents have the right to transfer, import, and remit currency assets to the Russian Federation with the observance of customs rules.

The procedure for mandatory transfer, importation, and remittance to the Russian Federation of foreign currency

and securities in foreign currency belonging to residents of the Russian Federation is established by the Central Bank of the Russian Federation.

The procedure for mandatory importation and transfer to the Russian Federation of precious metals and natural precious stones belonging to residents is determined by the Government of the Russian Federation.

4. Residents have the right to sell foreign currency for currency of the Russian Federation on the domestic currency market of the Russian Federation according to the procedure specified by Article 4 of the present law.

5. The procedure for the formation of state currency reserves and also the procedure for mandatory sale of foreign currency revenues from residents on the domestic currency market of the Russian Federation is established by the Government of the Russian Federation.

6. Individual persons who are residents have the right to transfer, export, and remit from the Russian Federation currency assets that were previously transferred, imported, or remitted to the Russian Federation with the observance of customs rules within the limits indicated in the declaration or other document confirming their transfer, importation, or remittance to the Russian Federation.

7. The procedure whereby residents export and transfer currency assets from the Russian Federation, with the exception of cases indicated in Point 6 of the present article, is established by the Central Bank of the Russian Federation in conjunction with the State Customs Committee of the Russian Federation.

Article 7. Nonresidents' accounts in foreign currency and currency of the Russian Federation

1. Nonresidents may have accounts in foreign currency and in the currency of the Russian Federation in authorized banks.

2. The procedure whereby authorized banks open and keep nonresidents' accounts in foreign currency and the currency of the Russian Federation is established by the Central Bank of the Russian Federation.

Article 8. Nonresidents' currency operations in the Russian Federation

1. Nonresidents have the right to transfer, import, and remit currency assets to the Russian Federation without restriction with the observance of customs rules.

2. Nonresidents have the right to sell and buy foreign currency for currency of the Russian Federation according to the procedure established by the Central Bank of the Russian Federation.

3. Nonresidents have the right to freely transfer, export, and remit currency assets from the Russian Federation with the observance of customs rules if these currency

assets were previously transferred, imported, or remitted to the Russian Federation or acquired in the Russian Federation on the bases indicated in Point 2 of the present article, and in other cases in keeping with legislation of the Russian Federation.

4. The procedure whereby nonresidents export, transfer, and remit currency assets from the Russian Federation, with the exception of cases indicated in Point 3 of the present article, is established by the Central Bank of the Russian Federation in conjunction with the State Customs Committee of the Russian Federation.

Article 9. The Central Bank of the Russian Federation as an organ for currency regulation

1. The Central Bank of the Russian Federation is the main organ for currency regulation in the Russian Federation.

2. The Central Bank of the Russian Federation within the framework of the present law:

a) defines the sphere and policy for the circulation in the Russian Federation of foreign currency and securities in foreign currency;

b) conducts all kinds of currency operations;

c) establishes the rules by which residents and nonresidents in the Russian Federation conduct operations with foreign currency and securities in foreign currency and also the rules whereby nonresidents in the Russian Federation conduct operations with currency of the Russian Federation and securities in currency of the Russian Federation;

d) establishes the procedure for mandatory transfer, importation, and remittance to the Russian Federation of foreign currency and securities in foreign currency belonging to residents and also the cases and conditions whereby residents open accounts in foreign currency in banks outside the Russian Federation;

e) establishes the general rules for issuing licenses to banks and other credit institutions for conducting currency operations and issues these licenses;

f) publishes normative acts that are compulsory for execution by residents and nonresidents in the Russian Federation;

g) establishes standard forms for accounting, reporting, documentation, and statistics of currency operations, including by authorized banks, and also the procedure and deadlines for submitting them;

h) prepares and publishes statistics of currency operations of the Russian Federation in keeping with accepted international standards;

i) performs other functions specified by the present law.

Section III. CURRENCY CONTROL

Article 10. The purpose and areas of currency control

1. The purpose of currency control is to ensure the observance of currency legislation in the execution of currency operations.

2. The main areas of currency control are:

a) determination of whether currency operations that are conducted are in keeping with legislation in effect and that the necessary licenses and permits have been obtained;

b) verification of fulfillment by residents of obligations to the state in foreign currency and also obligations for the sale of currency on the domestic currency market of the Russian Federation;

c) verification of the justification for payments in foreign currency;

d) verification of the completeness and objectivity of accounts and reports in currency of the Russian Federation.

Article 11. Organs and agents for currency control

1. Currency control in the Russian Federation is provided by currency control organs and their agents.

Currency control organs in the Russian Federation are the Central Bank of the Russian Federation, the State Customs Committee of the Russian Federation, the Ministry of Finance of the Russian Federation, and the Currency Control Inspectorate under the government of the Russian Federation.

2. Currency control agents are organizations to which currency control organs delegate currency control functions.

3. Authorized banks are currency control agents under the jurisdiction of the Central Bank of the Russian Federation.

Article 12. Authority of currency control organs and agents

1. Currency control organs within the limits of their authority:

a) monitor the correctness of currency operations conducted in the Russian Federation by residents and nonresidents, the correspondence of these operations to the conditions of licenses and permits, and also their observance of normative acts of currency control organs;

b) conduct inspections of foreign economic activity of residents and also the activity of nonresidents in the Russian Federation;

c) establish the procedure and forms of accounting, reporting, and documentation for currency operations of residents and nonresidents and also foreign economic activity.

Article 13. Rights and responsibilities of residents and nonresidents

1. Residents and nonresidents conducting currency operations in the Russian Federation and also nonresidents conducting operations with currency of the Russian Federation and securities in the currency of the Russian Federation have the right:

a) to study the documents from inspections conducted by currency control organs and agents;

b) to appeal actions of currency control agents to the corresponding currency control organs and also actions of currency control organs according to the procedure established by legislation of the Russian Federation;

c) to exercise other rights established by the present law and other legislative acts of the Russian Federation.

2. Residents and nonresidents conducting currency operations in the Russian Federation and also nonresidents conducting operations with currency of the Russian Federation and securities in the currency of the Russian Federation must:

a) submit to currency control organs and agents documents and information confirming the correctness of the currency operations that are conducted and those necessary for their performance of their currency control functions;

b) give explanations to currency control organs and agents during the course of their inspections and also concerning their results;

c) in the event of disagreement with the facts presented in the document of the inspection conducted by currency control organs and agents, submit written explanations of the reasons for refusing to sign this document;

d) keep accounts and submit reports on currency operations they have conducted, providing for keeping them for no less than five years;

e) fulfill the requirements (instructions) of currency control organs for eliminating the violations that are revealed;

f) perform other duties established by legislation of the Russian Federation.

Article 14. Responsibility for violation of currency legislation

1. Residents, including authorized banks, and nonresidents who have violated the provisions of Articles 2-8 of the present law, bear responsibility in the form of:

a) payment to state revenues of everything received from transactions that are invalid because of the present law;

b) payment to state revenues of everything unjustifiably acquired not in a transaction but as a result of illegal actions.

2. Residents, including authorized banks, and nonresidents, for failing to account for currency operations, accounting for currency operations in violation of the established procedure, and failing to submit documents and information to currency control organs and agents in keeping with Point 2 of Article 13 of the present law or submitting them late bear liability in keeping with the policy established by the Currency Control Inspectorate in conjunction with the Central Bank of the Russian Federation.

3. With repeated violations of the provisions mentioned in the present article and also failure to fulfill or improper fulfillment of the instructions of the currency control organs, residents, including authorized banks, and nonresidents bear liability in the form of:

a) payment to state revenues of sums indicated in Points 1 and 2 of the present article and a fine in the amount of five times these sums or a fine in an amount determined by the Russian Federation currency control inspectorate in conjunction with the Central Bank of the Russian Federation;

b) suspension or revocation of licenses and permits issued by currency control organs to residents, including authorized banks, or nonresidents;

c) other sanctions established by legislation of the Russian Federation.

4. The collection of the sums of fines and other sanctions mentioned in the present article is handled by currency control organs, including, at the request of currency control agents, from legal entities—with compulsory payment, and from individual persons—through the courts.

5. Officials of legal entities that are residents, including authorized banks, and of legal entities that are nonresidents, and also individual persons guilty of violating currency legislation bear criminal, administrative, and civil-legal liability in keeping with legislation of the Russian Federation.

Article 15. Rights and responsibilities of currency control officials, organs, and agents. Appealing the actions of currency control officials

1. Officials of currency control organs and agents, within the limits of the authority of these organs, have the right:

a) to check all documents related to their performance of currency control functions, to obtain the necessary clarifications, references, and information on questions

arising during inspections, and also to confiscate documents showing violations in the sphere of currency legislation;

b) to suspend operations in accounts in authorized banks in the event of the failure to present the documents and information mentioned in the present article;

c) to suspend or revoke permits and licenses for the right to conduct foreign economic activity and currency operations issued to residents, including authorized banks, and nonresidents;

d) other rights specified by legislation of the Russian Federation.

2. Currency control organs and agents and their officials must protect the trade secrets of residents and nonresidents which they have learned in the performance of their functions.

3. Currency control organs and their officials, in the event of improper performance of the duties assigned to them, are held liable according to the procedure specified by legislation of the Russian Federation.

Arbatov: Gaydar Policies 'Neo-Bolshevik'

AU3007171692 Munich SUEDEDEUTSCHE ZEITUNG in German 30 Jul 92 p 2

[Josef Riedmiller report: "Russia Is Being Treated Like the Third World"]

[Text] Tutzing, 29 July—In a SUEDEDEUTSCHE ZEITUNG interview, Professor Georgiy Arbatov, who is one of Russian President Boris Yeltsin's advisers, voiced sharp criticism of the economic policy course pursued by acting Prime Minister Yegor Gaydar. The government is trying to introduce in Russia a kind of capitalism that no longer exists in the world. The current economic reformers that Arbatov described as "sectarians" directly changed over from Marx and his "Capital" to Milton Friedman, a neoliberal U.S. economic theorist. What is happening in Russia's economy is a "neo-Bolshevik" attempt to carry out all at once what in reality is a very complicated matter. Arbatov said that this is a sort of "war communism" (as the arbitrary rule at the time of the Civil War is described); no regard is being shown to the people and their needs.

In this connection, Arbatov also voiced sharp criticism of the International Monetary Fund because of the conditions under which it is ready to grant Russia further credits. Such terms are designed for a Third World country, said Arbatov, and the only intention behind such a policy is to get the debts paid back. This kind of approach by the IMF and the Western countries could not only jeopardize perestroika, as was the case during the times of Gorbachev, but it could now also discredit the idea of democracy and the market economy.

Arbatov is calling for new discussions on the economic reform in a national and international framework with the goal of a temporary extension of the measures. He particularly opposed the IMF's demand to reduce the budget deficit; after all, other countries such as the United States, Canada, and Japan also have high deficits.

He believes that the Gaydar government's intention to make the ruble convertible before the end of this year is "stupid." Arbatov calls for radical corrections in the economic course, which Yeltsin is also considering, but he rejects a return to the former state of affairs. Russia must take Japan as a model, not Poland.

Asked about the proceedings that the CPSU, which Yeltsin banned after the August coup, initiated at the Russian Constitutional Court with the aim of having the ban lifted, Arbatov said that the proceedings should not end with the CPSU officials being persecuted or pushed into illegality. Nor is it a fight against an ideology as long as this ideology does not violate the laws. It would be much more preferable for action to be taken against the organization and the structures of the CPSU, which placed themselves over the elected bodies. According to Arbatov, several new communist parties meanwhile have registered with the authorities. However, most people do not wish to return to the old conditions; instead, they are looking for a sign of hope and prospects for the future.

Arbatov is of the view that the disintegration of the Soviet Union was not inevitable. He thinks that, with cultural rights for the individual republics and "some autonomy," the union could possibly have been saved. It is true that Gorbachev saw the problem and also commented on it, but he was unable to put his ideas into practice.

If Gorbachev had submitted a new union treaty in 1989 at the latest—not as late as directly before the August 1991 putsch—the Soviet Union would still exist, believes Arbatov; however, it would exist not as an empire and a unified state, but as a federation or confederation. Arbatov believes, however, that there will be a reintegration, if only for economic reasons.

German Economic Adviser Kartte Interviewed

PM0408082192 Moscow IZVESTIYA in Russian 29 Jul 92 Morning Edition p 6

[Interview with Prof. Wolfgang Kartte by NOVOYE VREMYA correspondent Boris Lysenko in Berlin; date not given: "W. Kartte: Small and Middle-Size Enterprises Are the Mainstay of Reform. Conversation With Russian Government's German Adviser"—first paragraph is introduction]

[Text] Prof. Dr. Wolfgang Kartte's office on Unter den Linden avenue in downtown Berlin is in disarray. The rooms are crammed with cases and boxes; he is preparing to move to Moscow. Since this spring Mr. W.

Kartte has been the Russian Government's official adviser. His workplace is in the White House. For more than a decade this economist, who is well known in Germany, has been president of the Federal Cartel Office. He has been retired on pension since 30 June. The subject of the interview was agreed in advance: "Management for Russia." Boris Lysenko, NOVOYE VREMYA's correspondent in the FRG, conducted it specially for IZVESTIYA.

[Lysenko] Mr. Kartte, how do you view the possible ways of solving the problem of management in Russia now?

[Kartte] There is no doubt that Russia needs modern management to develop a social market economy. I am convinced that our German model of a market economy is not suitable for you—and I am not trying to "sell" it to you—just as the U.S. and Japanese models are not. You need your own market model that would gel with Russian traditions and with the Russian mentality. In my opinion, it should be the kind of market economy that rests to a greater extent on state structures, at any rate over the next few years. That kind of market economy is, of course, different from Western models. This difference, however, should not have any negative significance. You must not privatize everything at once. After all, entrepreneurs can also compete with one another on the state's behalf.

On the basis of my conversations with my Russian partners I have formulated a concept as to how we could move toward this. The World Bank is of course suggesting that large combines be resolutely broken up into smaller units in order to provide incentives for competition. From what I have seen, this path is not suitable in principle. I think that, to start with, it is enough to auction off vast enterprises and combines. This spells autonomy for labor collectives. However, it is natural to plan management of affairs nonetheless, although not in the same way as everything used to be planned from Moscow. In my view, industrial combines simply cannot be broken up into smaller units without taking into consideration the situation in Russia.

The second step is to develop competition. If, for instance, the government intends to organize the production of a new automobile, investment for this must not be placed with old production structures, but given to new enterprises. Then conditions for competition will emerge.

The third phase in this strategy consists in monitoring and regulating to some extent imports of Western automobiles, for instance, to our market.

Some regulation is needed, otherwise Russian combines will be bankrupted. In short, my concept eschews radical privatization. It cannot occur at rapid rates in your country due to tangible mental resistance.

[Lysenko] What is the purpose of your "Managers for Russia" initiative which was mentioned in a press release circulated among journalists?

[Kartte] What we need to do as soon as possible is to create a middle class—a group of small and midsize entrepreneurs. The first steps have been taken in this direction—commercial banks and commercial firms have emerged, but that is obviously not enough. Look: In Germany the middle class accounts for the lion's share of gross social product. Why can Russians not achieve that? Then competition would emerge—sound rivalry. More than 300 million people live in what was the Soviet Union, among them there are probably plenty of people with an entrepreneurial bent. It is not enough now just to have a certain number of bank employees and businessmen—manufacturers are needed: Small sausage factories, creameries, plants processing milk and other products, and consumer services enterprises must be set up. The main burden rests with midsize and small enterprises, they will need knowledge of management.

There are several ways of achieving this end. I am taking one such plan to Moscow. The essence of the plan is to televise a course in management to a wide audience. I also want to organize a network of management schools in Russia with Western sponsors. The second way is to invite so-called "senior" managers to Russia. The EC has the Senior Service organization. I have good contacts with it; it has on its files 4,000 experienced managers on pension who are ready—like me, for instance—to do a little more work. Senior Service has experience in this field. Their people can be encountered in various countries. In the early 1980's this organization's representatives helped China, incidentally. They built breweries, textile factories, and other industrial installations there. Many of them are to this day directors of banks, managers, and employees. I think that the "seniors" would be good advisers in Russia.

[Lysenko] But isn't money—and plenty of it—needed for this?

[Kartte] I have spoken with the EC Commission about ways of providing Russia with technical assistance. If my management concept is adopted in your country, the EC will provide financial aid. I want to stress that I have the money. The main problem is where to find enterprises in Russia that want their own managers. The "seniors" are currently performing successful work in the new Federal Laender, in Poland. Managers are needed everywhere. Russia still does not have any. Of course, if you go by the German proverb which says that "something which costs nothing is of no value," enterprises should pay small sums for their people to receive management training. I am afraid that not every enterprise leader will want to have such a specialist on his staff. If you have an adviser, that means listening to him, and that is not to every leader's liking. That worries me. It has still not been fully studied, but I will begin studying it on my arrival in Moscow. I think that we should start with such powerful centers as Moscow and St. Petersburg. Let the first school produce 10 to 15 graduate managers, then the numbers will increase. The main thing is to get things moving. All our working groups are ready. If a sausage factory, a meat combine, a bank, a trading firm, or a

municipal economy need advisers, we can immediately produce the requisite specialist from the working groups' lists and send them to Moscow, St. Petersburg, or other cities.

[Lysenko] Mr. Kartte, what preliminary conditions or requirements will be set for those wanting to study management in your schools?

[Kartte] We are not setting any preliminary conditions. Of course, it would be a good thing if someone spoke German, English, or, for instance, French. However, that is not the most important thing. I hope that the Russian side will provide us with interpreters. That will be their contribution to management development. The future managers themselves can be young or old, the main thing is that they are needed by enterprises and thus Russia as it moves toward its own social market economy.

Social Protection Agreement Reached

LD0208154192 Moscow Programma Radio Odin
Network in Russian 1100 GMT 2 Aug 92

[Text] The Russian Government, together with entrepreneurs and trade unions, has drawn up a program of measures for the social protection of working people under conditions of economic reform. First and foremost, it is intended to grant the population broad opportunities for the privatization of state enterprises, the trade network, and housing. A state employment fund is being set up which will help people who have lost their jobs. A system of income indexation is being elaborated with a quarterly review of wages, pensions, and benefits. Special preferential measures are envisioned for those living in the northern regions.

IAEA Team Checks Kursk Nuclear Plant Safety

LD0208161292 Moscow Radio Rossii Network
in Russian 0700 GMT 2 Aug 92

[Report by correspondent Vadim Simonenko on results of work of IAEA representatives at the Kursk nuclear power plant]

[Text] After the IAEA mission ended two weeks of work, its leaders gave a news conference jointly with the Rosenergoatom [Russian Atomic Energy Agency] concern and the State Agency for the Supervision of Safety in the Nuclear Power Industry [Gosatomenergondzor]. Here are some facts and figures. In the first place, the design of the Kursk nuclear plant is not outstanding, but is quite reliable. According to an important indicator—the annual number of stoppages—it is better than U.S. plants. It is important that the concept of nuclear plant safety has changed fundamentally now. That is a most important indicator.

Russian nuclear experts are worried about all stations. Their work can and must be improved, with the assistance of IAEA experts, of course. They are planning to visit the Balakovo, Smolensk, and Leningrad nuclear

plants in the near future, and safety will be in the forefront of their attention once again. But there are major problems here. There is simply nothing to guarantee the further safety of Russia's nuclear power stations. Consumers owe over 11 billion rubles and that debt is growing not by the day but by the hour. After all, in a number of regions, nuclear power provides over 70 percent of all electricity. Hence the request to the parliament and government of Russia that was made at the press conference: Help the Russian nuclear industry to obtain its earnings. After all, the solution of the problem of whether nuclear power plants are to be feared or not depends on this.

Aeroflot Becomes Russian Joint Stock Company

OW0208155292 Moscow INTERFAX in English
1436 GMT 2 Aug 92

[From the 3 August "Business Report"; transmitted via KYODO]

[Text] In a decision made on July 23rd, the Russian government created its national airline called Aeroflot—Russia's international airlines.

The new airline is the sole successor to the commercial production association Aeroflot—Soviet airlines, which includes all services and subdivisions concerning international air travel from Sheremetyevo airport. This airport handles over 75% of all foreign passenger and freight flights made recently on the territory of the former Soviet Union.

Deputy head of the international commercial department, Anatoliy Brylov told an INTERFAX correspondent that Russia's airline would be a public joint stock company, but that for the next three years the state would still own the controlling packet of shares. All legal documents should be registered by November 1992.

The Russian airline should register its symbol in the international ICAO and IATA organizations and repaint its entire fleet (over 100 planes) in new colors.

To Be 'Major Rival' on World Market

LD0308160592 Moscow ITAR-TASS in English
1339 GMT 3 Aug 92

[By ITAR-TASS correspondent Pavel Ryabov]

[Text] Moscow August 3 TASS—A joint stock society, "Aeroflot - Russian International Airlines", was set up in Russia.

Dmitriy Barilov, first deputy director general of the Central Airways Department, told TASS that all treaties and commitments in civil aviation signed with foreign partners remain in force.

According to Barilov, the newly established organisation has become a successor to the airways commercial associations "Aeroflot - Soviet Airlines", one of the largest in

the world, which has been carrying out passenger and cargo transportations from the Moscow "Sheremetyevo-2" Airport.

Barilov believes a transition to new economic methods will enable to restore Aeroflot as a major rival at the world airlines market. He hopes, at least, that the process of splitting the once powerful organisation into small companies will eventually come to an end.

"We are strong on the international market only when we are united, Barilov said.

Barilov added that the newly established company is an open organisation which is open for any airline or any other airways enterprise to join.

The planes belonging to the joint stock society will carry the Russian tri-colour flag.

Agricultural Issues

Agrarian Reform Center Chief Appointed

OW0308170692 Moscow INTERFAX in English
1556 GMT 3 Aug 92

[Transmitted via KYODO]

[Text] Vitaliy Yermolenko has been appointed Russian Ministry Director of the Federal Centre for Land and Agricultural Reform by a presidential decree.

Yermolenko, a member of the Russian Academy of Agrarian Science, was previously Deputy Head of Rostov Regional Administration and was, for many years, leader of the local scientific and industrial association "Don".

Russian Vice-President Aleksandr Rutskoy's office informed INTERFAX that the Centre Director's competence does not cut across the Russian Agriculture Minister's executive powers (Rutskoy was the initiator and founder of the Federal Centre for Land and Agricultural Reform). The Ministry organises the routine management of the sector's work, while the Centre works out and implements only special purpose programmes.

Paper Views Rutskoy's Efforts at Land Reform

PM3107132192 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 29 Jul 92 p 1

[Ye. Arakelyan article: "Rutskoy Tries on Stolypin's Uniform, and Attempts To Create a Land Market in Russia"]

[Text] Vice President A. Rutskoy has made a new attempt to get land reform under way. At his latest press conference on the subject of agriculture reform, which has been entrusted to him, A. Rutskoy reported that a presidential decree on creating land banks and introducing certificates for land is in preparation at the behest

of the Federal Center for Land and Agro-Industrial Reform, which he organized.

It is assumed that relevant certificates—securities confirming entitlement to ownership of land—will be given out for all plots of land. It will be possible to obtain them when you have paid the land's market cost to the land bank. The land banks will also engage in the purchase and sale of land—as it was in Stolypin's times. The land's cost will depend on its designation (agricultural area, land for building housing, industrial facilities etc.). As well as on supply and demand, on which the land bank will take its bearings when valuing the land.

In actual fact this represents an attempt to create a land market and introduce its purchase and sale well away from the kolkhoz-sovkhoz lobby in the Russian parliament—which would undoubtedly promote the land reform.

General Rutskoy is not, however, the first person to tackle reforming our agriculture. It has already been stated about three times that land reform will begin any moment now in real earnest. A good 10 presidential decrees on this subject (which were good ones to boot) have been adopted. But the reform is bogged down.

New decrees on land often contradict the old ones, which in no way speeds up the reform. There is no certainty that this will not happen the next time around. The private farmers' organization, AKKOR, is worried in particular about the following: Does not introducing certificates for land mean a new redistribution which will affect those 5-plus million hectares of land which are already at private farmers' disposal?

Interview, Profile of Khlystun Published

PM0308133692 Moscow ROSSIYSKIYE VESTI
in Russian 1 Aug 92 p 2

[Interview with Russian Minister of Agriculture Viktor Khlystun by Valeriy Sankov; place and date not given: "Optimist Despite the Slump"; first seven paragraphs are introduction]

[Text] Optimist despite the slump—that was my perception of Russian Minister of Agriculture Viktor Khlystun. He himself shies away from this definition. But maybe you can see more clearly from outside, and indeed maybe the state of affairs in agriculture is on the point of improving...?

"I knew that this ministerial post was a burden involving enormous duties, but quite frankly, I could not have imagined that it was such a heavy burden," were Viktor Nikolayevich's first words. These words were not uttered through confusion or tiredness, but more to explain the fact that although the working day had long been over, people were still milling around in his reception room.

I too could not have imagined that when I arrived for a meeting at a specific time I would spend two hours in the

"dressing room." But, as the secretary explained, there was an interruption during the day: The minister was called in to the Supreme Soviet Agrarian Committee, and then there were some unscheduled meetings with agricultural leaders who had arrived from Stavropol and Kostroma Oblast...

The night before, I had heard Minister Khlystun's speech to industrialists at the International Trade Center on Krasnopresnenskaya. He spoke freely to the audience, without any notes. Today this is standard practice, and does not score any points for the speaker, particularly when he is a doctor of economic sciences, a professor who has taught at the Moscow Land Use Engineering Institute for almost 20 years.

It was clear from the minister's dynamic speech that although the agrarian reform is proceeding with difficulty, he himself is convinced of its irreversibility and triumph; he is not calling for the complete destruction of the kolkhoz-sovkhoz [collective farm-state farm] system or the rapid introduction everywhere of private farms or something else along those lines. He is a supporter of the government's position—granting everyone the right to choose the form of land ownership and the method of farming on this land.

The calm and optimistic tone of Khlystun's speech and his answers to the sharp and sometimes emotionally charged and critical questions suggested that you should not believe your own eyes, and not rely on the depressing agricultural figures, but on the trends—which, in his opinion, are reasonable and promising.

How justifiable is the minister's optimism? I started my interview with this question.

[Khlystun] Of course it is easier to talk about difficulties and problems. Yes, there are more than enough of them. But when you are working on them, even when you are up to your eyes in them, you cannot lose hope. As a minister, I do not have the right to give in to emotion and shake my head, saying: Everything is bad, everything is lost, the slump in agricultural production is bringing about a threat of famine... And indeed I do not agree with that view. Look at the private farm movement. There are around 130,000 private farms in Russia at the moment. We are giving every rural worker the right to obtain his share of land and the right to sell this share of land to someone who can work more productively on it. Of course, there are enormous difficulties. We do not hide the fact. Realistically speaking, only half of the farmers have tractors today, less than half have trucks, and an average of one in 12 farms has a combine harvester. It is heavy going. So we are trying to create a private farm infrastructure by setting up hire centers and tractor stations. I know this process is moving slowly. Nevertheless, people who categorically rejected the new forms of farming only yesterday are coming round to them today and asking for assistance. There are thousands of examples... [Khlystun ends]

[Text] The minister has first-hand knowledge of these examples. He travels around Russia a great deal, mainly on Saturdays and Sundays. In June alone he visited Altay Krai and Buryatia, and went to private farms and kolkhozes in Ryazan, Yaroslavl, Vladimir, and Moscow Oblasts. He can see the peasant farms with all their troubles forming associations, and the kolkhozes and sovkhozes being reformed.

[Khlystun] If we had a good chance of obtaining state economic support for the new forms of farming now, then the reform would be far more successful. But the general economic situation, with its shortage of resources and equipment and with the mutual nonpayments and lack of cash, is leaving its negative mark on the agrarian sphere. I would like the questions that the Ministry of Agriculture is raising to be resolved more quickly by both the Ministry of Finance and the Ministry of the Economy. But of course I cannot ignore the position of the leaders of these departments. They are also tied to the budget. And yet the problems of the agrarian complex must be resolved more efficiently and with greater understanding... [Khlystun ends]

In the seven months that Viktor Nikolayevich has headed the ministry he has only been able to take four days' leave—New Year's, 8 March, and a couple of other days.

"This is nothing to boast about," he commented. "But there is nothing you can do about it at the moment."

[Sankov] And if you were not a minister, then what would you do in your spare time?

[Khlystun] I would devote myself to my daughters more. They are both students. I do not have enough time for my plot of land. I acquired it a long time ago; it is in Shchelkovskiy Rayon. I also like playing volleyball...

[Sankov] In the current political situation, as far as I know, no minister has any guarantees of time. Does this not bother you?

[Khlystun] Obviously there is no certainty that I will remain in this post for a long time. But I cannot say that this bothers me. While I am trusted, I must work as hard as I can. [Khlystun ends]

An English teacher went into the office after me. Viktor Nikolayevich perfects his English three times a week from 2000 to 2100. He believes that too much time is wasted on translations during talks with foreign business people. And for him time is the most important thing.

Ministry Reports on Grain Harvesting Data

PM3107130392 Moscow SELSKAYA ZHIZN
in Russian 31 Jul 92 p 1

[Unattributed report: "Contracts Are Still Not Grain"]

[Text] The Russian Ministry of Agriculture reports that by the beginning of this week 6.8 million hectares of

grain had been cut and 5.0 million threshed. These figures represent 12 and 8 percent of the sown area respectively.

Farms in the Northern Caucasus, the Central Chernozem region, the Southern Volga, and the Ural and Central regions are harvesting grain crops. The picture in the fields mirrors the natural climatic conditions, roughly two weeks behind last year everywhere, so 13 million hectares less than by the corresponding date last year have been cut and threshed in the republic as a whole.

Some 27.1 quintals per hectare have been brought in from the harvested area. Some 13.5 million tonnes of grain have been threshed. State granaries have procured 882,000 tonnes, just 5 percent of the amount threshed. Specialists say that grain procurement prospects are still depressing. The government has voiced hope of buying 29 million tonnes of Russian grain at the announced price of 10,000 rubles per tonne. So far, they have contracted to buy 24 million tonnes, but the contracts don't include grain. Its owners are reluctant to give up their firm intention of palpably boosting their financial status, ruined by the state, with more profitable trading. The reports from the localities (not only from Russia, but also from other CIS countries) which we publish below illustrate that sovereignties are all very well, but we are still united with all our troubles and disorder.

Feed procurement is under way everywhere. An area of 19.5 million hectares of seed grass and native grass has been cut, 4 million hectares less than last year. Some 14.6 million tonnes of coarse and succulent feed have been put by for storage—there are 3.9 quintals of feed units per standard head of livestock as against 5.3 quintals by the corresponding date last year.

80 Billion Rubles Allocated for Agriculture

LD3107210392 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1700 GMT 31 Jul 92

[Report by Irina Mishina; from the "Novosti" newscast]

[Text] The problem of the harvest this year seems to have changed from being an exclusively economic problem into a political problem. A session of the commission involving the government, agrarians, and trade unions has taken place today on the Staraya Ploshchad on the subject of purchase prices for grain. They have resolved to set up a working group and to apply to the Supreme Soviet, the government, and the Russian president for information. In the words of Boris Yeltsin, 80 billion rubles has already been allocated for the support of agriculture.

Commentary Criticizes Plans To Import Grain

LD3107131692 Moscow Russian Television Network
in Russian 1000 GMT 31 Jul 92

[G. Shakhov commentary; from the "Vesti" newscast]

[Excerpts] The government has reported something that will raise the hopes of the Russian people: By the end of this year it will bring 23 million tonnes of grain from abroad—from the United States, Canada, Argentina, and other countries—so there is no need to worry. There is enough bread for everybody and there will be no hunger [golod].

You see, according to data from the Ministry of Agriculture, 25 million tonnes of grain are required for baking bread in Russia. We will somehow gather the remaining 2 million tonnes from the country's fields. [passage omitted]

Grain from abroad will cost us 30,000-40,000 rubles [R] per tonne. But you see, our procurers require peasants to sell the grain for R10,000-R15,000 per tonne, and they keep saying, moreover, that higher prices will destroy pensioners who stay alive on bread. What will the transoceanic bread cost us? Is anybody thinking about that? Subsidies on bread are drawn from taxes on the population, reducing our meager incomes. At one time it was decided to settle with producers of fatherland grain partially in dollars. Nothing came of it. Evidently it is more convenient for somebody to purchase from abroad than to pay our grain growers.

High Prices Fail To Stimulate Production

PM3107143392 Moscow ROSSIYSKIYE VESTI
in Russian 30 Jul 92 p 1

[Yevgeniy Sosnin report under "Forecast" rubric: "Belts Will Have To Be Tightened Still Further Still!"]

[Text] At one time, certain economists were claiming that during the process of transition to a market economy a balance between supply and demand would be established. Including for food products. There was even a viewpoint that high retail prices would stimulate production of the scarcest food products. For example, meat and dairy items.

So what has actually happened? In the first half of the year the monthly consumption of meat and meat products per Russian citizen fell by comparison with last year by 0.7 kilograms, while that of milk and dairy products fell by 5 kg, and that of sugar by 0.5 kg. In other words, there was a fall in consumption of staple food products of up to 20 percent.

However, within this period there was a rise in per capita consumption of potatoes (by 3.6 percent) and bakery products (by 9.8 percent). The consumption of vegetable oil, vegetables, melons and gourds, and eggs has stayed at exactly the same level.

The question inevitably arises: By dint of which circumstances has the fall in food rations for each one of us taken place? Which is the dominant factor—high prices, or the lack of produce in the shops? It seems to be both. First, a word about prices. Although the average Russian family spent a little over 30 percent of its consumer

budget on food in the first half of last year, this figure is now at least 50 percent. As for large families and pensioners, almost all of their income goes on food. The conclusion is that produce prices are truly outrageous and in no way commensurate with the average Russian working wage.

This is why there has also been a drop in the consumption of albuminous products, especially meat and milk. The proportion of fats in the general structure of produce is approaching the critical level—30 percent. Specialists believe that it is dangerous to fall below this level. Furthermore, in the first half of the year the overall caloric value of produce consumed per day per person stood at 2,424, which is almost 5 percent lower than last year.

So what about the balance of supply and demand? At one time or another, as we know, serious shortages of meat and dairy products were observed in many Russian cities. So could it be that high retail prices would provide the impetus for a rise in their production? Unfortunately, nothing of the sort happened. Meat processing fell by 27 percent in six months, and that of sausage products by 37 percent. Output of wholemilk products in milk equivalent fell by 48 percent, that of cheese and ewes' milk cheese by 30 percent, and margarine by 11 percent. As you can see, no rise of any kind is mentioned.

And ahead lie equally hard times. So we will all have to tighten our belts still further!

Military Issues

Official Interviewed on Procurement Problems

LD0308172292 Moscow Mayak Radio Network
in Russian 1447 GMT 3 Aug 92

[Interview with First Deputy Defense Minister Andrey Prokofyev by correspondent Tatyana Chemodanova at Defense Ministry in Moscow following sitting of Military Collegium on 3 August—recorded]

[Text] [Chemodanova] Andrey Afanasyevich, very important issues which—I am not afraid to say so—took a long time and a great deal of scrupulous effort to prepare were discussed at this meeting.

[Prokofyev] The Collegium of the Russian Defense Ministry discussed a whole range of questions. One of the main issues under discussion was the shaping of orders for the procurement of arms and military hardware in 1993.

[Chemodanova] Does this mean that we have not received enough weapons of our own? Must we buy more?

[Prokofyev] That is the term used by the Russian industry for arms procurement. So, what is at issue is not that we intend to buy weapons abroad. On the contrary, we sell weapons. What is involved here is that in the

current very complex economic conditions of a deep slump in production and a very serious situation in the defense industry, we should prepare an order that best matches the long-term priorities in the structuring of the Russian Armed Forces. These priorities were laid down by the president, our supreme commander, the Russian Supreme Soviet, and the government. This task is perhaps unprecedented today. We never had to experience, even after the war, such a complex situation in preparing defense orders. For we used to live in different dimensions. We did not have to count money. Therefore, the Collegium of course discussed all the many angles of this problem, and passed a number of important decisions on priority spheres in the development of weapons and military hardware.

The Collegium took place with the participation of Russian Government Deputy Prime Minister Khizha and Minister of the Economy Nechayev. It was chaired by Pavel Sergeyevich Grachev, our minister of defense. Taking part were representatives of the defense industry, the Ministry of Industry, and the Finance Ministry.

[Chemodanova] What were the decisions and conclusions of the Collegium?

[Prokofyev] We will be further revising our conclusions. They relate to a whole range of recommendations for the construction of our armed forces from the point of view of arms and military hardware to be supplied to them. We have certain priorities that were laid down by the leadership of the country and the Ministry of Defense. One of our priorities, for instance, is the development of mobile forces that are able to tackle tasks relating to the provision of defense in the country at a great variety of levels. Some of our priorities lie with the preservation of reliable deterrent nuclear forces.

The situation has sharply changed in relations between the one who puts out an order and suppliers of hardware. The defense industry is in a very difficult situation. There are a multitude of problems relating to co-production and relations between CIS countries. This has a very strong impact on the problem of co-production in the framework of the defense complex.

[Chemodanova] The Collegium sitting went on for more than six hours.

[Prokofyev] It discussed a whole range of other questions. So, the Collegium is a body which does not have to confine its discussion to a strict agenda.

[Announcer] I should like to add something to what has been said above: In addition to the issues concerning the orders for the procurement of arms and military hardware in 1993, the Collegium discussed the housing problem, which is assuming ever greater importance for the Russian Armed Forces. Apartments have not yet been allocated to 104,600 servicemen's families. As the Russian troops arrive from territories of other states, this figure will double. We will continue this conversation at some later stage, in one of our later editions of Panorama.

Defense Council Meets 30 July**Kolesnikov, Kokoshin to Speak**

*LD3007092192 Moscow ITAR-TASS World Service
in Russian 0219 GMT 30 Jul 92*

[By ITAR-TASS correspondent Vladimir Shevel]

[Text] Moscow, 30 Jul—Today a session is to take place of the Council for Russia's Foreign and Defense Policy. The membership of this nongovernmental body includes representatives of the Russian intellectual elite.

On the agenda is a report by Colonel General Mikhail Kolesnikov, first deputy head of the General Staff of the Russian Armed Forces, on the issue of a national military strategy. It is also expected that First Deputy Defense Minister Andrey Kokoshin will make a speech.

Further Disarmament 'Disastrous'

*MK0108133092 Moscow NEZAVISIMAYA GAZETA
in Russian 1 Aug 92 p 1*

[Pavel Felgengauer report under "Army" rubric: "Military Expect Intervention by the West. Grim Prospects for Russian Foreign and Defense Policy"]

[Text] At its second session on 3 July [as published] the Council on Foreign and Defense Policy (a nonstate organization) discussed the ideas in a Council report entitled "A Strategy for Russia." Colonel General Mikhail Kolesnikov, first deputy chief of the Russian Federation [armed forces] General Staff, was invited to the session and delivered a report on Russia's military doctrine.

The real threat of world nuclear war hour by hour no longer exists, Kolesnikov believes, but in all other respects Russia's military-political position could not be worse. The USSR's collapse destabilized the situation in Eurasia: "There is a real danger that the process of sovereignization will follow the 'Yugoslav precedent.'" The intensification of armed conflicts between former Soviet republics could lead to direct intervention [vme-shatelstvo] by the West (NATO forces), including intervention "on the pretext of ensuring 'international control' over the nuclear potential." "The emergence in place of the USSR or a new center of strength, of Russia first and foremost as a potential rival to these powers, does not accord with the long-term interests of the United States, the NATO bloc as a whole, or Japan." The problem is not confined, moreover, to the West: Threats to Russia's security also exist to the south.

At the same time the old (Soviet) army has disintegrated, and the commands that remain under Russian banners have lost much of their combat readiness, notably as a result of "inadequately considered disarmament initiatives."

Russia's economic position is lamentable, and the prospect of buying a new generation of sophisticated weaponry for the army in the next 10-20 years is more than

dim. This will be so even if we manage to keep the military-technical scientific and design development work of the best design organizations in the famous domestic military-industrial complex at a minimum tolerable standard.

Under these conditions the Russian General Staff is striving primarily to preserve the backbone of the Army and the Navy—the officer corps, around which a new army can be "grown." And also to preserve the combat-capable structures of the existing armed forces.

No unified view on the new Russian army yet exists, however. Not even among specialists. There is no agreement as to the nature of the future Russian army's rank and file personnel: Should they be volunteers, or predominantly conscripts? Most professional soldiers insist that the draft should be preserved in some form. "Civilian" specialists on military-strategic questions would like to see a Russian army entirely professional, on the American or British model.

Nor is the future role of Russia's nuclear potential clear. The officially proclaimed aim is rapid and complete nuclear disarmament. But the actual state of affairs is causing more and more serious specialists (both "military" and "civilian") to openly acknowledge that further nuclear disarmament would be disastrous for Russia. A situation could emerge in the very near future whereby precisely the nuclear missile potential constitutes a real factor deterring Russia's break-up and the loss of national sovereignty, moreover by comparatively peaceful and bloodless means.

Similar views were expressed at the session by members of the Council on Foreign and Defense Policy.

Further on Defense Ministry Collegium Meeting

*PM3107110992 Moscow KRASNAYA ZVEZDA
in Russian 31 Jul 92 p 1*

[Russian Federation Defense Ministry Press Center report: "Session of Russian Defense Ministry Collegium"]

[Text] A session of the Russian Federation Defense Ministry Collegium was held 29 July to examine issues of vital importance for the Russian Armed Forces.

The Collegium analyzed the progress in and problems of formulating state orders for the delivery of armaments and military hardware to the Defense Ministry in 1993. It was noted that the work to draw up proposals for a draft state order is being carried out in the context and taking account of Russia's difficult economic and financial position.

Proposal options have been prepared for financing next year's defense orders with a view to easing the possible negative consequences for maintaining the necessary level of Army and Navy combat capability and preserving the minimum acceptable rate of arms upgrading.

The lack of any interstate mechanisms for delivering military output for the Russian Armed Forces from the Commonwealth states is having a substantial impact on the implementation of military orders. This year there have been virtually no purchases of armaments and military hardware from the CIS countries. What is required is the signing of corresponding intergovernmental agreements, the allocation from the budget of the necessary appropriations, the elaboration by customers of proposals on the range of military purchases in the Commonwealth countries, and the organization of the production of these items at Russian enterprises.

In the context of this discussion there was also an examination of the how things stand regarding fulfillment of the plan for research and development in the military sphere.

The Collegium session discussed the housing problem, which is becoming increasingly acute for the Russian Armed Forces. The number of servicemen without accommodations continues to increase. And, as Russian troops are withdrawn from other states' territories, as servicemen are redeployed, and as the forces are replenished with new officers and people serving under contract, the current number of homeless service families (104,600) will more than double.

Against the backdrop of this difficult position the Collegium examined the tasks of the Committee on Social Security for Servicemen set up under the Russian Federation Defense Ministry in solving the housing problem. In particular, the committee has been instructed to elaborate by 15 October 1992 and submit to the Russian Federation Government a draft program to provide housing for servicemen serving on Russian territory, as well as for persons who have been discharged or who have retired.

The committee's attention was drawn to the need to organize close cooperation with executive organs of state power in the republics, krais, oblasts, and autonomous formations, and to accelerate the creation of offices [predstavitelstvo] at local level. Together with the Main Directorate for the Military Budget and Financing, proposals should be drawn up for increasing monetary compensation norms for the hiring of housing. Other measures for the social protection of servicemen were also recommended.

The Collegium session also examined other questions of the activity of Russian Defense Ministry organizational structures.

Rutskoy Attends Meeting on Military Housing
OW0308194592 Moscow INTERFAX in English
1838 GMT 3 Aug 92

[Transmitted via KYODO]

[Text] The construction of housing and farms for disbanded officers was the subject of a conference in St.

Petersburg attended by Russian Vice-President Aleksandr Rutskoy who arrived there on Monday [3 August]. Taking part in the conference were leaders of the city and the region, and the command of the Leningrad military district.

Rutskoy suggested that Vice-Mayor V. Shcherbakov and head of the regional administration S. Belyakov prepare a report, a technical-economical estimate and a draft decree of the Russian president allowing the joint-stock company "Voyenstroy" to build housing and farms in the Leningrad region as an experiment. The Vice-President promised to promote the signing of the decree and suggested using the Norwegian know-how enabling to build one cottage a day.

After the conference Rutskoy met near the regional administration building picketers demanding 15 hundredth parts of a hectare for gardens.

Airborne Troops Commander on New Mobile Force
OW0308130892 Moscow Central Television First
Program and Orbita Networks in Russian 1845 GMT
30 Jul 92

[Interview with Colonel General Ye.N. Podkolzin, commander of Airborne Troops, by Sergey Goryachev; from the "Utro" program—live]

[Text] [Goryachev] On Sunday many people—Airborne Troops, members of their families, and the girls they love—will be celebrating their holiday: Airborne Troops Day. That will be on Sunday. Today, however, the guest of our Utro program is Col. Gen. Yevgeniy Nikolayevich Podkolzin, commander of Airborne Troops. Good morning and welcome.

[Podkolzin] Thank you very much, good morning.

[Goryachev] It is your holiday, so I would like to start by congratulating you on your coming holiday.

[Podkolzin] Thank you very much.

[Goryachev] I want to say that it seems that the Airborne Troops are being used today during peacetime more often than any other kind of troops.

[Podkolzin] Yes, that is true.

[Goryachev] If something is happening your troops are relied on.

[Podkolzin] Yes, they come to us. We are called on for good jobs and for bad. I mean for various calamities and for good tasks. And this is heartening. Our troops are elite troops. For the past four years our formations and units have been fulfilling their tasks in separating interethnic conflicts. They took part in Azerbaijan, Armenia, Georgia, Kyrgyzstan, and Uzbekistan.

[Goryachev] And in more distant foreign places too, I suppose, such as Yugoslavia. Airborne Troops were also sent there.

[Podkolzin] Well, I consider that this experience—their actions in separating interethnic conflicts and other events—have given us great experience and this is why the peace-keeping mission was entrusted to our troops. As a result we formed a battalion as part of the UN forces in Yugoslavia. In fact it was mentioned and praised a great deal today. Russian Supreme Soviet deputies visited them to see how they live and perform their daily tasks, and they assessed them very highly.

Colonel Khromchin, commander of the eastern sector and an officer of mine, has reported to me that they have received the highest assessment from the leaders of these UN forces.

[Goryachev] The number of Airborne Troops...

[Podkolzin interrupts] Presently we have even designated forces for the peace-keeping group in Tskhinvali. The 104th Regiment of the 76th Division is there and today the 137th Regiment of the 106th division has been concentrated in the area of Tiraspol.

[Goryachev] I have another question for you. I have always thought, although I am not a specialist in military affairs, that Airborne Troops were basically offensive troops?

[Podkolzin] Yes, they are troops for offensive activities.

[Goryachev] And we have never had, rather the Soviet Union never had, major groupings of Airborne Troops in accordance with some military doctrine. Is this changing somewhat now, are Airborne Troops more...

[Podkolzin interrupts] Well, I would like to say that overall you have not put it quite correctly. There were more Airborne Troops in the Soviet Army, the former Soviet Army, than anywhere in the world. As their commander, I was very happy that I was entrusted with the command of such glorious and well-trained troops. Presently, by a decision of Army General Pavel Grachev, the minister of defense, a new branch of the armed forces is being established—the Russian Mobile Forces [Mobilnyye Sily Rossii]. Their basis will be the Airborne Troops, and of course we are proud of the fact that we are—at the present stage when the new Armed Forces of Russia are being established—and will be one of the branches of the Russian Armed Forces...

[Goryachev interrupts] Their backbone.

[Podkolzin] ...yes, and the Airborne Troops will make up the basis of these mobile forces. I would like to add that the Airborne Troops were among the best troops in the former USSR and, in fact, speaking as a specialist, I think they were among the best in the world as well.

[Goryachev] I can imagine how television viewers who served in the Airborne Troops are reacting to your words. They are totally in agreement with you. Now I have another question. The holiday is on Sunday. Honestly speaking, I suspect that some young men who served in the Airborne Troops will take to the streets to

mark their holiday. I am not sure that they will all behave themselves in a way that respects public order. You may recall the border guards holiday when there were acts of hooliganism. Do you have any information about this? What is your attitude to the possibility that this may happen?

[Podkolzin] Our attitude to such issues, to violations of public order and situations in which Airborne Troops behave themselves improperly and demonstrate a poor attitude in relation to the local population and residents and organs of law and order, is negative and...

[Goryachev interrupts] Maybe the Airborne Troops should be involved in maintaining order. Have you looked at this possibility?

[Podkolzin] We can only appeal to former Airborne Troops and ask them in a positive way to behave themselves worthily and to demonstrate the honor and prestige of former Airborne Troops, because they are civilians who have already been demobilized, who have served their term. Nearly 99 percent of them served honestly, uprightly, and conscientiously and left as good specialists and real airborne types of men.

[Goryachev] So now they will have every reason to really celebrate their holiday. On our part we join in congratulating them.

[Podkolzin] Thank you.

[Goryachev] So once again we congratulate you and all those who serve with you in the Airborne Troops.

[Podkolzin] I would also like to congratulate my soldiers, sergeants, officers, and generals who are serving today under the banners of Airborne Troops and those generals and officers who received their schooling by serving in Airborne Troops and to wish them, and their families, the health of an airborne soldier, so to speak, and all the best. And naturally I call on reservists to mark this holiday in a worthy manner.

[Goryachev] Thank you very much. The Utro program joins in this greeting. I would like to remind you that Col. Gen. Yevgeniy Nikolayevich Podkolzin, commander of Airborne Troops, was in our studio.

Assistant Commander Interviewed

LD0108175192 Moscow Mayak Radio Network
in Russian 1100 GMT 1 Aug 92

[Interview with (Valentin Yakovlevich Sevelyanov), assistant commander of Airborne Assault Troops, by correspondent Igor Makarov; place and date not given—recorded; from the "Radar" program: "The Armed Forces and Society"]

[Text] Tomorrow is Airborne Assault Troops Day. Despite difficult circumstances, the paratroopers are trying to maintain their reputation at a high level. I asked

Hero of the Soviet Union (Valentin Yakovlevich Sevelyanov), assistant commander of the Airborne Assault Troops with responsibilities for personnel, how they are managing to do this.

[(Sevelyanov)] In the period of reform we are experiencing the same problems that all our people are facing. We see the future of our troops as a branch of the Armed Forces, as a rapid deployment force. Hence, both the strategy and tactics will change, as will technical support. But at the present stage there is a problem of manpower resources because we are in the process of handing over some of our frigates and some units of the national armed forces to our former republics. We need material resources. We need money. Money has to be spent. Housing and the means to live must be provided. We need time.

[Makarov] The airborne assault troops are an elite force and people should aspire to go and serve with them. On the other hand, our state should not be stinting with its efforts and money to maintain combat readiness at the proper level. What are the problems here?

[(Sevelyanov)] The fact that we are an elite force is shown by the competition to get into our college. Even in present conditions, competition to get into the Ryazan airborne assault college is exceptionally high—there are about 10 applicants for one place. As to the government's attitude, I believe the government is doing as much to help us as present circumstances allow; that is to say, we are not experiencing any resistance or distrust on the part of officials, even though these issues are difficult.

[Makarov] Ethnic conflicts are now raging on virtually all the borders of the former Soviet Union. Could you briefly describe what part the airborne assault troops are playing in eliminating these fires?

[(Sevelyanov)] This is indeed an extremely complicated matter. In the Baltic republics, for example, we are experiencing pressure, both psychological and other kinds of pressure, with regard to our servicemen. However, in Byelarus things are more civilized, in my opinion. Complicated matters are resolved by mutual agreement.

Now our Tula division has flown out—this was reported on the radio. Some of our servicemen have gone to the Dniester region, to the dividing line. The questions are being resolved. But I think they must be resolved positively.

In the Transcaucasus our servicemen have to deal with some exceptionally difficult issues. Our regiments are in Tskhinvali, on the dividing line in Ossetia. At the moment, according to reports they are sending us, questions are being resolved in a positive manner. At the present time, the most difficult situations are probably in the Dniester region and the Transcaucasus.

[Makarov] At the end of our interview, what would you like to wish the paratroopers?

[(Sevelyanov)] I would like to wish all my paratroopers—not just those serving now but also those who faced ordeals in Afghanistan—paratrooper health and happiness.

[Makarov] We in the Radar studio wish to associate ourselves with your congratulations and good wishes to the paratroopers, who are respected by everyone. I very much hope that those who visit Gorkiy Park tomorrow will remember the honor and dignity of the Blue Berets. That is all for today.

Ukraine Plans To Sell Tu-160 Bombers

LD3107211292 Moscow Russian Television Network
in Russian 1600 GMT 31 Jul 92

[From the "Vesti" newscast]

[Text] Today, at an airbase near Saratov, the Tu-160 bomber conducted its first planned testing on Russian territory. According to specialists' assessments, this aircraft represents the most potent plane in the world. The flight was carried out by a crew of the Poltava Air Force regiment formerly stationed at Priluki. Now, having refused to take an oath of allegiance to Ukraine, the majority of this regiment's officers have moved here to one of the Volga units. However, 19 planes of this type have remained in Priluki, which Ukraine now intends selling for no less than 2 billion rubles each.

In the fever over the division of the Black Sea Fleet, it has somehow been forgotten that a single system of strategic nuclear forces also existed, to which long-range aviation belonged. Will it not be the turn of Ukrainian separatist supersonic bombers after the rebellious ships?

Helicopter Crash Leaves Crew Dead

LD0408043592 Moscow Mayak Radio Network
in Russian 0330 GMT 4 Aug 92

[Text] Here's some bad news received from ITAR-TASS in Vladivostok: On Monday evening [3 August], a Mil-24 helicopter of the Russian Air Force crashed while on a training mission (?in the region) of Ussuriysk. The helicopter crashed as it was preparing to land. All three crew members on board were killed.

Media Issues

Journalists 'Provoking Interethnic Hostility'

LD0108150692 Moscow Mayak Radio Network
in Russian 0700 GMT 1 Aug 92

[Text] Officials of the Russian Procuracy have told a NEZAVISIMAYA GAZETA correspondent that at present they are investigating 16 cases of provoking interethnic hostility. The majority of these cases were instituted at the initiative of the general procurator of the Russian Federation. They

include cases involving the newspapers PULS, TUSHINA, ENERGIYA, and RUSSKOYE VOSKRESENIE.

Last week the editor in chief of RUSSKOYE VOSKRESENIE was arrested under Article 74 of the Criminal Code for whipping up interethnic dissensions. Officials of the General Procuracy confirmed that no criminal proceedings for chauvinistic propaganda were taken before 1990.

Journalists Complain About Limited Freedom

OW3107214392 Moscow INTERFAX in English
1617 GMT 31 Jul 92

[Transmitted via KYODO]

[Text] In a letter to the Russian Government the Association of Foreign Correspondents stated that "all restrictions which for so long limited the freedom of movement and work for foreign journalists virtually still remain in force (among them a ban on their leaving the zone of certain number of kilometers around Moscow and obligation to notify about their trips to "open" cities and regions 24 or 48 hours before).

Foreign correspondents are disappointed that the status-quo was preserved under the government resolution of July 4 "On the List of Territories in Russia Which Regulate Foreign Citizens' Visits".

"We expected other things after August of 1991 when democratic forces won and put an end to the regime which had invented the police control over journalism", the letter says. "We hoped not for 50% or 70% freedom of movement, but for full freedom, which was gained in all countries of Eastern Europe after the collapse of totalitarianism".

The Association of Foreign Correspondents considers restrictions on journalistic activities as running contrary to the spirit of Helsinki Agreements.

Supreme Soviet

Kurils Hearings, Disputes Summarized

PM3107130592 Moscow ROSSIYSKAYA GAZETA
in Russian 30 Jul 92 First Edition p 2

[Report by ROSSIYSKAYA GAZETA parliamentary observers Pavel Anokhin and Aleksandr Linkov under "Parliamentary Hearings" rubric: "'Disputed Territories' Cause Disputes in Russia"]

[Text] Parliamentary hearings on questions of Russian-Japanese relations and the problem of Russia's territorial integrity were held 28 July at the Russian Federation Supreme Soviet under the chairmanship of Sergey Filatov, first deputy chairman of the Russian Supreme Soviet. The hearings were initiated by People's Deputy O. Rummyantsev, senior secretary of the Russian Federation Constitutional Commission. The following took part in the hearings: Russian Foreign Minister A.

Kozyrev; his deputy G. Kunadze; Ye. Ambartsumov, N. Andronov, and S. Mikhaylov, leaders of the Russian Supreme Soviet International Affairs and Foreign Economic Relations Committee; S. Stepashin and Ye. Kozhokin, representatives of the Russian Supreme Soviet Defense and Security Committee; some of the Russian president's advisers; representatives of the Sakhalin Oblast leadership; and representatives of scientific and military institutions.

In his report Oleg Rummyantsev highlighted various aspects of the problem, ranging from the international legal to the moral and political implications. In his opinion, an analysis of the situation from the standpoint of international law shows that Russia has fixed positions on the issue under examination, and that these can only be shaken by unilateral concessions by the Russian side, or if normative acts are interpreted in an unscrupulous manner. Oleg Rummyantsev touched on the Yalta agreement between the three great powers concerning Far East questions dated 11 February 1945, which determined the postwar settlement (as punishment for starting World War II, provision is made in the UN Charter for confiscation of the territories which served as a basis for aggression—Articles 77, 80, 107); the San Francisco Treaty of 1951, under which Japan renounced all rights and claims to the Kuril Islands excluding Habomai; the joint declaration of 1956 (in the deputy's opinion, the Japanese side is interpreting this clause somewhat freely and in a one-sided manner); A. Gromyko's letter of 29 September 1956....

Demands that the islands be transferred to Japan without annulling the corresponding article of the San Francisco Treaty, the legislator stressed, have no basis in international law....

Analyzing the constitutional and legal part of the problem, Rummyantsev stressed that to regard the disputed Kuril Islands as a territory that does not belong to Russia for the sole reason that the borders have not been definitively determined is illegal under the legislation. "The desire to resolve the issue of transferring the Kurils to Japan by bypassing the Russian Constitution can be clearly seen behind this logic...", he said. "The islands are an administrative part of Sakhalin Oblast, Russian organs of state power and administration operate on their territory...."

Bearing in mind amendments made to the Russian Federation Constitution, Russian Federation territory is whole and inalienable (Article 80), and the territory of a kray or oblast cannot be changed without their agreement (Articles 84-89). In addition, under Point 8 of the Declaration on Russian State Sovereignty, "Russian Federation territory cannot be changed without the people expressing their will through a referendum."

Russia's geopolitics define the southern part of the Kurils as a zone of important national interest for Russia, primarily in the military and strategic sense. "The southern part of the Kurils," the report says, "plays

an important role in supporting the deployment of the forces of the Pacific Fleet in the waters of the Okhotsk Sea and its outlet to the Pacific Ocean. The transfer of the islands will divide the forces of the Pacific Fleet into two isolated halves and deprive them of an outlet through ice-free straits, give free access to all those who want to extend the sphere of foreign technical intelligence gathering in the waters of the Okhotsk Sea, disrupt the unified radar field in eastern Russia, decrease the stability of anti-airborne assault defense, shut off the outlet for strategic aviation into the waters of the Pacific Ocean, and disrupt the security of sea and air communications and the delivery of essential resources to Kamchatka in the event of a deterioration in the situation.

"However, an analysis of Japanese-U.S. military cooperation and operational readiness shows that our friends and neighbors are not currently engaged in curtailing their combat forces and resources either in this immediate region or in the distant approaches to it."

Speaking about the foreign policy side of the problem, Oleg Rummyantsev noted that Japan is striving to internationalize this bilateral problem. He was dubious about the formula "resolving the problem on the basis of legality and justice." In his opinion, resolving territorial problems on the basis of the law means taking account of all international legal norms, bilateral documents, and laws in both Russia and Japan, and interpreting them precisely rather than arbitrarily. "The argument that the satisfaction of Japan's territorial demands opens the way for Russia to cleanse itself of the legacy of the old totalitarian era and facilitate its entry into the commonwealth of civilized states is a propagandist one," Rummyantsev said. "First of all, the way to effect a rapprochement with developed democratic countries cannot involve a concession with respect to one of the countries. Second, in conditions of economic hardship and an unstable situation, a concession on the territorial issue under the pressure of a tough uncompromising position will inevitably be seen by the world community as a weakening of Russia's international prestige, signifying the loss of its great-power status. Russia will cease to be an important player in world politics."

The consequences of this could also be serious in the development of the domestic political situation. The legislator believes that an unsuccessful and hurried solution to the problem will give the opposition a direct chance to raise the question of the illegality of the president's actions. The prospect of the president's being dismissed from office (impeachment) or new presidential elections pose the biggest danger....

Changing Russia's borders could fuel undesirable processes on the level of the federation itself. The ease with which new borders are recognized in the Far East, and the redrawing of them without the agreement of a component of the Russian Federation—Sakhalin Oblast—will give signatories to the Federation Treaty grounds for looking at other possible border changes within Russia.

Addressing the problem of possible Japanese investments and basing his remarks on an analysis that has been carried out, Rummyantsev believes that in the policy of the Japanese Government and big business, Russia is not in the long term regarded as a destination for large-scale investments. Not without some justification, a number of specialists believe that Japan sees the Russian Far East not as a future partner but as a possible competitor. We may expect to see an increase in competition between Russia's far eastern region and the vigorously developing states of South and Southeast Asia (South Korea, Taiwan, Hong Kong, Indonesia), and also Australia, the Philippines, the west coast of Canada, the United States, Mexico, and the east and southeast coast of China.

The economic value of the southern part of the Kurils is in turn extremely important for Russia. And it will increase in proportion with scientific and technical progress, because extremely rich reserves of biological and mineral resources will become more accessible. A total estimate, in world prices, of the reserves of mineral resources here comes to at least \$44.05 billion. There is gold, silver, zinc, copper, lead, iron, titanium, vanadium, agates, and sulphur.

Nor should the moral and political side of the question be discounted. Japan has on many occasions skillfully exploited the periods of our weakness in war (1855, 1875, 1905, and 1920) to make its own political, territorial, and moral acquisitions. It is incorrect to interpret the USSR's actions in incorporating part of Japan's territory in 1945 as just a "Stalinist crime," divorced from the overall context of world history. The USSR's territorial acquisitions in Europe and Asia were the results of attempts by a group of countries to establish their hegemony over the world by means of wars of aggression and by depriving other countries of their state sovereignty.... "The restoration of a dubious 'justice,' albeit partial," Oleg Rummyantsev says, "without a clear international legal basis may awaken the desire of other countries—Finland, Germany, Hungary, Austria, Poland, for example—to restore 'justice' in Europe."

The specific nature of public awareness in Russia consists primarily in an almost genetically prescribed desire to preserve the territorial integrity of Russia.... Public opinion in the Russian Federation senses vaguely the unfairness of the recent maneuvering by our officials over the Kurils. Seemingly in reaction to this, the Russian president has made a number of markedly tough statements. What is this—a stance, a prejudice, or part of a game with public awareness against the background of ongoing preparation for a "breakthrough" in relations with Japan?

Public opinion recalls that there have been wars between us: South Sakhalin was seized from us in 1905, Siberia and the Far East were occupied between 1918 and 1920. Public opinion should realize, for example, why we must give Japan just four islands and not all the Kurils "annexed by Stalin," and why we are examining the

question of changing the results of World War II with Japan, but not with the FRG or Finland.

Besides an analysis of the situation, Oleg Rummyantsev's report also contains several variant solutions to the problem. In his opinion, the most sensible looks like the "acceptable compromise" option: The islands of Kunashir and Iturup are unequivocally to remain under Russian Federation jurisdiction, while Habomai and Shikotan are transferred to the joint sovereignty of Russia and Japan; a condominium is established.

By putting forward this option, Russia will first and foremost cease to play by Japan's rules; second, it is meeting our neighbor halfway by fulfilling commitments undertaken at an earlier stage; third, it is defining "de jure" the actual joint control of this territory and its riches which we have possessed for a long time.

Judging by comments during the recess from those who took part in the session, the Russian president's expected visit to Japan in September was the main topic of debate among those participating in the hearings. Two tendencies were clearly evident. Some, for example O. Rummyantsev, I. Andronov, and S. Mikhaylov, want to know the official position the president will be adopting in Tokyo. In their opinion, Boris Yeltsin should meet with parliamentarians and take their recommendations into account. Others such as G. Kunadze and the progovernment lobby in parliament see this as a return to the old practice of strict control over the executive power. "The official position will be announced during the course of the visit," Kunadze stated unequivocally. His supporters believe that the functions of parliament are to approve or reject the results of the talks. A. Surkov, for example, regards these sorts of consultations between president and parliament as a humiliation; he says that corrections and amendments can be made during the ratification process.

The journalists' opinion is that the dispute about the "disputed territories" that broke out at the hearings reflects the latest stage of the protracted conflict between the executive and legislative powers.

Extracts From Rummyantsev Report on Japan

924C2000A Moscow NEZAVISIMAYA GAZETA
in Russian 25 Jul 92 pp 1,2

["Russian-Japanese Relations and the Problem of Territorial Integrity of the Russian Federation: (Excerpts from Report by Russian Federation People's Deputy Oleg Rummyantsev Prepared for the 28 July 1992 Parliamentary Hearings)" published under the heading "The Kurils Issue May Cause Russia's Entire Foreign Policy To 'Explode'"]

[Text]

General Outline of the Problem

"The New Thinking." During 1991-1992 there has been a dramatic activation of Russia's foreign affairs establishment—both diplomatic and in the area of domestic policy. A series of meetings at the level of ministers and deputy ministers of foreign affairs took place within the framework of the working group on the preparation of the peace treaty, and there have been innumerable contacts between experts and specialists. Due to the Russian Federation's encouraging silence, Japan has been confidently conducting a course towards the internationalization of a strictly bilateral problem. As intended, some Russian mass media started publishing tendentious materials....

By the summer of 1992 the general direction of the aforementioned efforts started to take shape: preparation for the transfer of the southern part of the Kurils to Japan.

The official visit by President of the Russian Federation B.N. Yeltsin to Japan, planned for the middle of September of this year, may become one of the key phases.

One of the sides is displaying acute awareness that B. Yeltsin and the current government, in their assumption, will not be able to hold onto power for long; therefore, the territorial problem has to be resolved urgently, since under the new leadership there will emerge serious difficulties in putting through the pro-Japanese option. Some politicians in Japan believe that this is the most favorable moment for the return of the islands: the genial disposition of the Russian Ministry of Foreign Affairs, which treats with understanding the demands of the partners and believes that Japanese economic aid after the return of the Kurils will be the main lever in bringing the country out of the crisis.

The new Russia proclaims itself a law-based state, in which the countries' most important problems are not to be decided by the party apparatus and a small group of the ministries attached to it. Governmental decisions in the sphere of foreign policy must be prepared on the basis of popular opinion. National interests in each specific case are formulated not by individual bureaucrats in secret from the public, but by the Russian citizens' will, expressed directly in the results of a referendum or through popular representation.

Parliamentary hearings. On 9 July a working conference in anticipation of the parliamentary hearings on topical problems of Russian-Japanese relations was held at the initiative of the leadership of the Russian Federation Supreme Soviet Constitutional Commission and International Affairs Committee. In the course of discussions it became clear that the issue is complex in structure and politically multidimensional...

The conference showed a substantial disparity between the views of the majority of politicians and experts

brought into it, on the one hand, and high-level staff of the Russian Federation Russian Ministry of Foreign Affairs on the other..

The parliamentary hearing itself is set for 28 July...

The report then deals with nine major aspects of the problem of territorial borders between Russia and Japan: from the point of view of international law, constitutional law, geopolitical, historical, foreign policy, domestic policy, foreign economic, domestic economic, and moral-political. (NEZAVISIMAYA GAZETA.)

Potential Scenarios of Resolving the Problem

A political solution. We are assured that government agencies will not do anything until a certain political decision is made. What may be regarded as such a decision? In our opinion, politically we have to choose one of two options:

1) Either we indicate our readiness to pay a political, moral, and territorial price for the hypothetical acquisition of Japan as a new powerful source of credit, industrial and consumer goods, technologies, and services ("first you deliver the merchandise, and then maybe we will pay").

2) Or the Russian Federation and its leadership reaffirm unequivocally that the southern part of the Kuril islands is a region of Russian national interests, which the Russian Federation will not trade today or tomorrow. On this principal basis we should start searching for a mutually acceptable compromise, with the clear understanding that it will be a very protracted search.

Options for a solution. Analysis of the opinions of various sides indicated the presence in theory of four options in the resolution of the problem, which may be represented on the grid "Russia—Russian Federation + Japan—Japan" in the following way:

Option I (4 + 0 + 0): all the islands remain under Russian sovereignty—the "conservative" option;

Option II (0 + 0 + 4): all the islands are transferred to Japan—some right away, some later; the "pro-Japanese" option;

Option III (0 + 2 + 2): Habomai and Shikotan are transferred to Japanese sovereignty, and Kunashir and Iturup are subject to negotiations, which end in joint sovereignty over these islands—the "new thinking" option;

Option IV (2 + 2 + 0): Kunashir and Iturup remain unequivocally under the jurisdiction of the Russian Federation, while Habomai and Shikotan are transferred to the joint sovereignty of Russia and Japan—the "acceptable compromise" option...

The phased "Yeltsin Plan." Yeltsin's five-stage plan at the time represented a substantial step forward, providing a reasonably good guideline for the foreign affairs establishment. However, both the author of the phased plan and members of the government headed by him interpret the sequence of these phases quite freely. I will briefly mention their contents in the initial form:

One: acknowledgment of the problem.

Two: joint development of the islands.

Three: their demilitarization.

Four: the signing of a peace treaty.

Five (in 15-20 years): decision on the fate of the islands (in various options).

Later B. Yeltsin advocated a reduction of the time frame for implementing these phases and said at the meeting in Watanabe that we have already entered the third phase. Japan welcomed the reduction of the time frame, but expressed bewilderment in regard to the fact that the second phase had not been implemented. Earlier, in 1990, in the course of B.N.'s visit to Tokyo, no one was talking openly about any compromises with Japan, but the Japanese side welcomed this five-phase plan. Now, however, they believe that this plan is not acceptable, since it envisions the signing of the peace treaty first and only later consideration of the final fate of the islands.

While supporting Yeltsin's plan on the whole, it should be noted that the third phase was too hastily moved into second place; this indicated a serious strategic miscalculation by Russian Federation Russian Ministry of Foreign Affairs advisers, which has led to acceleration of a transfer process rife with complications.

We need an official confirmation or a domestically agreed-upon correction of the phases in the "Yeltsin Plan."

Joint development remains on the agenda, however, and our task is to convince Japan to support this plan in light of the **FOURTH OPTION** of the problem resolution described above.

Brief Conclusions and Recommendations for the Official Visit of the Top-Level Russian Federation Delegation to Japan

Conclusions. 1. Keeping in mind the importance of the issue for Russia, it seems appropriate to consider it a national problem rather than a purely diplomatic problem of territorial borders, and to seek a settlement solution on the basis of an all-national consensus.

2. In this explosive time it is impossible to sign a peace treaty in one fell swoop either during the Russian Federation president's visit to Tokyo or in the course of the return visit by the Japanese prime minister to Moscow. Any attempt to hastily find some kind of "package deal" will mean unilateral concession on the Russian side.

3. International legal analysis shows that Russia currently possesses incomplete (uncompleted, not fully formalized) legal title to the disputed islands. Japan does not have any legal title to them, with the exception of the Habomai islands, the issue of which may without hesitation be handed over to the UN International Court, which is independent of both Russia and Japan.

4. Without doubt, the issue of the disputed islands needs to be resolved. The basis for this should be appropriate decisions of the Congress or Supreme Soviet of the Russian Federation. Russia's position should first and foremost be defined in the form required by important statutes of internal law....

5. Any "bureaucratic" way of working out the solution that is not based on the will of the Russian people clearly expressed through a referendum or representative democratic institutions, haste, or bypass maneuvers are not only highly explosive but may be declared invalid....

6. Of great importance in the dispute over ownership of the islands are historical arguments about who was the first to discover and develop them. The Kuril islands became Russian territory before Japan started showing an interest in surrounding islands. In this sense, too, they may be regarded as Russian territory. This fact counters the contention that these islands have never belonged to any country other than Japan.

7. The belief that giving up the islands will result in serious economic aid on the part of Japan is arguable, as is the lopsided orientation towards attaching prime significance to cooperation with Japan in the Asia-Pacific region.

8. The southern Kuril islands by themselves are a repository of mineral and biological marine resources, whose value exceeds several times over the hypothetical gain in the form of "payment" for the islands.

9. A hasty settlement of the territorial problem at this point will not bring Russia the expected foreign policy dividends, will deprive it of the ability to use this factor in a more favorable situation, and will weaken Russia's position in its relations with a number of countries.

10. One of the decisive points of Russia's position should be to unswervingly take into account the essential national interests of our country.

11. Unfair and hasty solutions to the territorial issue will not be accepted by public opinion and political parties, leading to a sharp aggravation of the current domestic political situation and creating a permanent source for those seeking revenge....

12. The most rational option seems to be one of "acceptable compromise": Kunashir and Iturup remain unequivocally under the jurisdiction of the Russian Federation, and Habomai and Shikotan are transferred to the joint sovereignty of Russia and Japan, creating a condominium. In presenting this option Russia, first, stops playing by Japanese rules; second, meets its neighbor halfway by fulfilling previously undertaken obligations; third, adds *de jure* recognition of the actual joint development of this territory and its riches, which we have already had for a long time. I think that if the Russian Federation Russian Ministry of Foreign Affairs takes a more consistent and principled line, our Japanese friends will agree to the joint ownership option which at this point seems unacceptable to them.

What do I offer for the near future? 1) First of all, to make the problem of Russian-Japanese relations involving the territorial borders between our countries as public as possible. Take away from the group of persons, who represent nothing but well-learned stereotypes, their main trump card—the covert behind-the-scenes development of the bureaucratic versions of giving up the islands. We need open parliamentary hearings, a legal dialogue between the highest organs of state power of the two countries.

2) Provide clear guidelines for the foreign policy establishment of the Russian Federation from the popular representation side—the Russian legislature—as to which direction it should act on this issue.

3) Make the people's deputies' point of view known to the president of the Russian Federation, since there is no certainty that he receives truthful information and a truthful analysis of the situation. Anticipate directly in the future development of options for the resolution of this problem.

4) It is necessary to shift into higher gear the dialogue in the military area, and to move to discussion of all-encompassing measures of trust—from notification of military activities to reduction of levels of operational and tactical maneuvers. To make sure that our demilitarization does not become a unilateral action, that it is accompanied by a prevention of military activities in the adjacent air and sea space.

5) Take steps aimed at estimating the entrepreneurial potential in the Russian Far East and its effective utilization in international economic cooperation with entrepreneurs in Asia-Pacific region countries, as well as a study of the possibility of establishing a joint business cooperation zone between the Russian Federation and the countries of the Asia-Pacific region.

6) It is necessary for the Supreme Soviet to consider as soon as possible the basic direction of the socioeconomic development of Sakhalin and the Kurils.

7) It is impermissible to spin off the southern part of the Kurils into an independent administrative entity within the structure of Russia without the consent of Sakhalin Oblast. The separation of the disputed islands from the existing subject of the Federation will be one more step towards their "purchase" in the future.

8) It appears that a personnel reshuffling in the Russian Ministry of Foreign Affairs is unavoidable. A state employee must not only be highly trained professionally but also a citizen, a patriot of Russia. If grave political errors based on many years of dogmatic "scientific" delusion become political norms, the bureaucrats must be removed from a position of responsibility.

9) At this point it would probably be advisable to postpone the official visit of the president of the Russian Federation to Japan. At a time when there is considerable disagreement on the Russian side and an extremely difficult domestic political situation, we should first define the model for the problem resolution, and only then go to Tokyo....

Part II of Extracts

924C2016A Moscow NEZAVISIMAYA GAZETA
in Russian 28 Jul 92 p 2

[“The Kurils Issue: Oleg Rumyantsev’s Arguments”:
Excerpts from second part of report by Russian Federation People’s Deputy Oleg Rumyantsev]

[Text] The parliamentary hearings on the “Kurils problem” begin today. NEZAVISIMAYA GAZETA presents in an abridged form the second part of People’s Deputy

Oleg Rumyantsev's report on this topic (the first part was published in the Saturday issue of NEZAVISIMAYA GAZETA).

2. The Nine Aspects of the Problem

First aspect: From the viewpoint of international law

A completely rational analysis from the point of view of international law shows that Russia's positions on this issue are not at all weak. They may be undermined only by unilateral concessions on our part, or by careless interpretation of normative acts.

Japan was not the victim of aggression, it was the aggressor; therefore, it is incorrect to accuse the USSR of violating the nonaggression pact, signed to be applied in the event one of the sides finds itself an object of military action.

The obligations undertaken in 1936 leave open not only the issue of the mechanism (the terms and the time frame) of their fulfillment but also their content. Therefore, we should not be in a hurry to reaffirm the obligation undertaken by the USSR, as there are considerable opportunities for its interpretation in the course of the negotiation process.

Despite the contention that neither the USSR nor Russia—as the successor state to the Union—have legal title to the Kuril islands and the southern part of Sakhalin, which allegedly has an uncertain legal status, we believe that we have the title, but it is not fully formalized.

Second aspect: From the viewpoint of constitutional law

Although from the viewpoint of international law only a peace treaty may definitively establish borders after a war, the 52 years of the existing status quo have already established the USSR-RSFSR border in this region.

It is still unclear who received what kind of a mandate, and from whom, that makes it possible for some individuals to conduct negotiations on behalf of the Russian Federation, the results of which are highly questionable for the state interests of Russia. According to the existing Constitution of the Russian Federation, foreign policy is vested exclusively with the RSFSR Congress of People's Deputies (point 2 of Article 104 of the Constitution).

Third aspect: Geopolitical

One of the decisive points in the Russian position must be to take into account the essential national interests of our country.

Analysis of Japanese-American military cooperation and operational training shows that our neighbors and friends currently are not curtailing their troops or means both in this immediate region and on its perimeter. That is, they are not paying too much attention to our unilateral troop reductions; moreover, our neighbors already maintain a combat-ready group of troops which clearly exceeds the limits needed for defense.

Fourth aspect: Historical

The Japanese, and together with them our Ministry of Foreign Affairs author, maintain that Iturup and Kunashir cannot be considered "strictly Russian territories" since they did not belong to Russia before 1949.

The course of history was as follows. Russian pioneers discovered Sakhalin and the Kuril islands and started developing them in the eighteenth and nineteenth centuries. At that time Japan did not even consider Hokkaido as its territory, let alone the Kurils.

The Kuril islands, in the opinion of Candidate of Historical Science S.I. Povalnikov, were annexed by Russia in full compliance with the norms of international law of that time: the annexation was done on behalf of the Russian monarch; appropriate signs were posted (crosses and copper plaques with the inscription "Land of Russian Possession"); the local population was granted Russian citizenship and a tribute was imposed; practically all inhabitants adopted the Orthodox faith, were baptized, and had Russian names and surnames. Nothing of the kind was effected by the Japanese or the Dutch (who at the time had not yet taken complete possession of Hokkaido).

Fifth aspect: Foreign policy

A decision based on law and justice is the only correct one; such an approach should only be welcomed.

Japan has clearly set for itself the task of internationalizing a bilateral territorial problem, attempting to influence the Russian leadership through the leaders of the "seven." There is a danger that Japan will take advantage of its turn to hold the chairmanship of the club of economically developed countries this year to define both the volume and direction of Western economic aid to our country.

The unresolved status of the territorial problem during the period of the "cold war" was in line with geopolitical goals.

The United States. The expression of solidarity with the Japanese demand at this time is dictated by the desire to retain Japan as an ally in other foreign policy actions. It is unlikely, however, that the United States has a substantial stake in the current solution option, which will lead to a considerable strengthening of Japan's political role and destabilize the entire complex of territorial relations in the Asia-Pacific region and in the CIS.

Sixth aspect: Domestic policy

In deciding on the form and timing of the solution to the problem, it will be important to forecast the potential domestic political consequences of such a solution.

A poor and hasty resolution of the issue will present the opposition with an open opportunity to raise the question of the impropriety of the president's actions. The

greatest danger lies in the prospect of impeachment or placing new presidential elections on the agenda.

A change in Russia's borders may provide fodder for undesirable processes at the level of the Federation itself. The ease with which we recognize new borders in the Far East; their redrawing without the consent of the subject of the Russian Federation, Sakhalin Oblast, will provide an excuse for Federation Treaty participants to regard in the same way other possibilities of changing borders within Russia or acquiring full ownership of state property.

Seventh aspect: Foreign economic

Japan is a country that possesses sufficient untied financial resources for capital injections. There are no grounds to believe, however, that they will go in the direction of Russia. Japanese capital believes it premature, or entirely unpromising, to make large investments in the Russian economy.

A number of specialists believe, with good reason, that Japan sees the Russian Far East not as a future partner but rather as a potential competitor.

Eighth aspect: Domestic economic

The economic value of the southern part of the Kuril islands for Russia is quite substantial, and will increase with progress in science and technology, since the extremely rich biological and mineral resources will become more accessible.

The total estimate of the mineral deposits at world prices is valued at \$44.05 billion at minimum.

In addition, the aquatic area of the southern Kuril islands (Kunashir and Iturup) contains unique by world standards supplies of brown and red seaweeds, which are an extremely valuable raw material for the pharmaceutical, perfume, cosmetics, and food processing industries.

Ninth aspect: Moral and political

There is no such category as fairness in international politics. If we use as a guide some abstract fairness and use 1945 as a starting point, Russia has to return to Japan all the territories the latter possessed in accordance with the Portsmouth Peace Treaty of 1905, that is, the entire Kuril chain and part of Sakhalin. The Japanese Government understands that such an approach to the notion of fairness is illusory, and demands only that part of the territory that was annexed by the USSR in 1949.

It is incorrect to interpret the actions of the USSR in respect to annexing a part of the Japanese territory in 1949 only as a "Stalinist-era crime," out of the context of world history.

Restoration of a questionable "fairness"—even partial—without clear grounds for it in international law may awaken a desire on the part of other countries—for instance, Finland, Germany, Hungary, Austria, and

Poland—to restore "fairness" in Europe. The negative attitude towards the transfer of the islands to Japan is not a result of some or other political or ideological orientation or of ignorance of the "complete truth." The specificity of the social consciousness of Russia is first and foremost in an almost genetic desire to preserve the territorial integrity of Russia and a sober realization that a considerable part of the current territories were acquired by Russia as a result of wars, in which it was a victim punishing an aggressor.

Public opinion retains the memory that there were wars between us; there was the seizure of southern Sakhalin in 1905; there was the occupation of Siberia and the Far East in 1918-1920. Public opinion will have to comprehend why it is necessary to give to Japan four islands rather than the entire Kuril islands "annexed by Stalin," and why we are considering the issue of changing the results of the Second World War with Japan, but not with the FRG or Finland.

The absence of a correct understanding of the nature of the Russian social consciousness by the Japanese side is the fault of some of our experts and journalists, who simplistically reduce all the problems to the stubbornness of conservatives and fervent patriots.

Timeliness of Yeltsin Visit to Japan Questioned

MK3107115092 Moscow FEDERATSIYA in Russian No. 31, 29 Jul-4 Aug 92 (signed to press 28 Jul) p 7

[Interviews with participants in the Russian Supreme Soviet committee hearings on Russo-Japanese relations by Yelena Afanasyeva at the White House in Moscow on 28 July: "Bringing the Problem Out Into the Open"]

[Text] Russian Federation People's Deputy Oleg Rumyantsev:

"I am not talking about Kozyrev, but I have said more than once that a decision is being made behind his back about which not only the Russian people but also the deputies know nothing. If the President's visit to Japan is not postponed, a group of Russian deputies will demand a meeting with the President in order to inform him of their position.

"I believe that a main achievement of the present day is that the Kurils problem has become a subject of political discussion and not of rallies or lobbying intrigues in government corridors. The problem has successfully been moved from the alleyways of the executive branch into the light of day.

"Disagreements arise over several problems. First, whether the 1956 treaty "On the Transfer of Khabomai and Shikotan Islands" is binding on Russia as the Union's successor. Second, whether the forms and the deadlines laid down in the treaty are subject to interpretation, as the Foreign Ministry believes, or whether we should be talking about the precise substance, as I believe. I think that joint ownership of the islands should

be discussed. And a third viewpoint, which a number of deputies set forth, is that the Kurils are a region of Russian national state interests."

Russian Federation People's Deputy Sergey Yushenkov:

"Oleg Rummyantsev is a highly informed person and understands the situation exactly. Perhaps the president really need not go to Japan just now. It is possible that the president himself is not opposed to postponing the visit..."

Russian Deputy Foreign Minister Georgiy Kunadze:

"There is information that Oleg Rummyantsev's report, published in advance by NEZAVISIMAYA GAZETA, has already been sent to the Japanese Embassy, which would doubtless weaken the Russian Government and Foreign Ministry's position just before the start of negotiations. It was the Japanese side that insisted that the hearings be closed. My speech met with understanding but at times bewilderment. It is impossible to satisfy everyone."

Russian Federation People's Deputy Aleksey Surkov:

"No one has the right to recommend to the president that he postpone his visit. The right to conclude treaties is a presidential right. If Yeltsin lets the national-patriots lead him on and postpones the visit, it will be his own loss."

Yevgeniy Ambartsumov, chairman of the Supreme Soviet Committee on International Affairs and Foreign Economic Relations:

"The president is under severe pressure right now from the Japanese. Japan is demanding an unambiguous decision. But it would be far more expedient to postpone a decision and examine the situation in a calmer atmosphere."

Author's note: The two basic positions of the closed parliamentary hearings can be boiled down to the following:

First. "We should embark on juridical and legal casuistry in the interests of Russia, which will lead to a model for joint use of the islands" (Oleg Rummyantsev).

Second. "The sale of the Kuril islands is not and cannot be an issue" (Andrey Kozyrev).

Read the newspaper's next issue to find out to which of these two opinions participants in the hearings are inclined. Whether the president will heed them will become clear during Boris Yeltsin's September visit to Tokyo.

Regional Affairs

New 'Constructive' Group Meets Moscow Mayor

MK3107123492 Moscow NEZAVISIMAYA GAZETA
in Russian 31 Jul 92 p 2

[Report by Ivan Rodin under "Facts, Events, People" rubric: "From Hatred to Love"]

[Text] The group "For Constructive Collaboration" with executive authority has been registered at Moscow City Soviet. So far around 40 deputies and some standing commission chairmen have enrolled in it. The new faction's leader, Leonid Belov, who is the soviet's deputy chairman, believes that most of the deputies' corps will eventually belong to it.

A meeting with the Moscow government took place the day before yesterday on the initiative of the "constructive" deputies. "We cannot ignore Muscovites' interests in favor of personal ambitions," Leonid Belov stressed. And although the deputies are not abandoning their main principle—the strictest observance of the laws—and although they continue to have grievances against City Hall, the confrontation must be stopped, Mr. Belov believes.

Yuriy Luzhkov welcomed the deputies' desire to cooperate constructively and delivered a detailed report on the state of the city's economy, especially singling out the spheres in which the executive authority would always like to see deputies operating. They are primarily social protection for the population and the social sphere generally, and the imported food campaign and the preparation of the municipal economy for the winter. Yuriy Luzhkov requested the deputies to strictly monitor the city departments' actions.

The meeting ended with Yuriy Luzhkov promising to sign a resolution by his government "On a Radical Change in Collaboration with Moscow City Soviet," and to set aside a day approximately once a fortnight when deputies can come to the city leaders with proposals and complaints.

Property Privatization Program Adopted in Moscow

OW3107214292 Moscow INTERFAX in English
1617 GMT 31 Jul 92

[Transmitted via KYODO]

[Text] On July 31 the Smaller Council of Mossoviet adopted the program of privatizing the municipal and state property in Moscow. The Moscow Property Committee was recommended to hold "a test" of this program in the main industries of the city. In September the Moscow Property Committee will present its proposals on adjusting the program.

In the opinion of economist Larisa Piyasheva, what is proposed by the Russian program and the Moscow "adjusted version" cannot be called privatization". The

control package of shares and hence the management still remain in hands of the state.

Tatar Parties Sign Reconciliation Statement

*LD0308105492 Moscow Radio Rossii Network
in Russian 0900 GMT 3 Aug 92*

[Text] A reconciliation statement was signed by a number of parties and movements in Kazan, Tatarstan on 3 August, ITAR-TASS reports. Around 10 of the Republic's political and public organizations took part in the talks and in the signing the document. Among these were: the Tatar Public Center, local organizations of the Russian Democratic Party, the People's Party of Free Russia, the multi-ethnic Accord Movement, and the Russian Federation Citizens' Association.

In the statement signed by them, the parties undertake not to tolerate factions but to work for the sake of civic and interethnic accord in Tatarstan and for the sake of building a harmonious, multi-ethnic society. The radical nationalist Tatar organizations—whose activities facilitated the aggravation of the situation in Tatarstan in October 1991 and in March 1992—have remained outside the framework of the interparty agreement. Since then, experts consider, their influence has waned.

Mass Privatization To Commence in Tatarstan

*LD3107203992 Moscow ITAR-TASS World Service
in Russian 0857 GMT 31 Jul 92*

[By ITAR-TASS correspondent Nikolay Sorokin]

[Text] Kazan, 31 Jul—Tatarstan is embarking upon the mass privatization of state and municipal property. The state privatization program up until 1995, which has been confirmed by the republic's parliament, has been made public.

The privatization is to take place in three stages. Up until 1 September all enterprises and organizations situated on the territory of Tatarstan are to become the property of the republic. During the first stage up until the end of the current year, 75 small shops and 150 medium-sized ones, 350 canteens and cafes, and every fourth consumer services outlet is to be privatized. If in the towns all of these outlets are bought up by their labor collectives or sold at auction, then in rural areas it is recommended that small shops and canteens are handed over to private owners without taking any payment for them. This year 18 large industrial enterprises and a corresponding number of construction concerns and associations are to be turned into joint stock companies. By the end of 1995 (the third stage) it is planned that the state will only have a stake of 15-30 percent in the ownership of trade, public catering, consumer services, and communal management.

Mayor Sobchak Promotes Direct Foreign Ties

*OW3107140192 Moscow INTERFAX in English
1331 GMT 31 Jul 92*

[From the "Diplomatic Panorama" feature; transmitted via KYODO]

[Text] The Mayor of St Petersburg, Anatoliy Sobchak, told DP [Diplomatic panorama] correspondent that his city was a shopwindow of the Russia's foreign policy as he pointed to the his administration's drive to hold direct talks with the governments of other countries. As an example, he quoted a cooperation treaty that St. Petersburg and Estonian were expected to sign together soon.

He said the practice of implementing investment projects and holding direct talks bypassing Moscow was most effective.

The mayor said that the St. Petersburg region was keen to promote contacts primarily with nearby countries such as Finland and the Baltic states. Significantly, he said, Finland is involved in most joint ventures launched in St. Petersburg.

One of his priorities lies in establishing a modern financial centre of Russia in St Petersburg. "We are ready to cede land and office facilities to banks under any conditions", he said.

Sobchak said that the first steps had already been made pointing to the Dresden Bank and Deutsche Bank which are due to open their own branch and representation office there respectively. The Mayor hopes that Japanese, British and U.S. banks will follow suit, and that the joint ventures of north-western Russia will be able to conduct their business through them. He says this can give greater weight to St. Petersburg.

The Mayor supports the drive by other countries to open their own general consulates in St. Petersburg. The British consulate has this month been allocated a building with office space of 2,000 square metres. Denmark and South Africa have also been granted buildings for their general consulates. Awaiting their turn are Israel, Spain, Switzerland, the Netherlands, India and Norway.

Rutskoy Attends Ceremony in St. Petersburg

At Ceremony for Monument

*LD0308151292 Moscow ITAR-TASS in English
1306 GMT 3 Aug 92*

[By ITAR-TASS correspondent Viktor Ganshin]

[Text] St. Petersburg August 3 TASS—Russian Vice President Aleksandr Rutskoy, who arrived in St. Petersburg to attend a ceremony of bidding farewell to a monument devoted to the 500th anniversary of America's discovery, said that the monument, which surpasses

any other world monuments in grandeur and scale, will become a symbol of people's unity. Now that Russia is restoring its statehood and power, we offer a hand of friendship to American people, Rutskoy said.

The monument, devoted to the 500th anniversary of America's discovery by the famous traveller Christopher Columbus, was made by the renowned Moscow sculptor Zurab Tzereteliy.

Tzereteliy, who was introduced to the participants in the ceremony by the St. Petersburg Mayor Vyacheslav Scherbakov, wished a happy voyage to the Russian "Baltisk" cargo vessel which will take a copy of the monument, considerably reduced in size, and some parts of the new architectural ensemble to the United States.

The monument consists of several layers: Its round base resembles a map indicating Columbus' route, above it, at captain's stand, is a figure of Columbus himself in full height with sails blowing above.

The monument, exceeding in height the famous Statue of Liberty, will be erected close to Miami Beach, and a conference hall, a cinema, a museum and an exposition will be built at its base.

Elevators inside the monument will take tourists to sightseeing platforms with the highest platform situated at the very top of the monument.

The monument will be unveiled to coincide with the celebrations of the 500th anniversary of America's discovery. Experts expect the monument to be seen far away from the ocean and to become a kind of America's visiting card.

The president of the U.S. "Columbus" Society, Benneth Leboy, who takes an active part in the construction of the memorial in Miami, said that the American people would appreciate the magnificent present and will be proud of the splendid statue.

Orders Resolution of Land Dispute

LD0308152192 Moscow ITAR-TASS in English
1328 GMT 3 Aug 92

[By ITAR-TASS correspondent Irina Zolotareva]

[Text] St. Petersburg August 3 TASS—Had it not been for the unexpected visit to St. Petersburg of Russian Vice-President Aleksandr Rutskoy on Monday [3 August], demonstrators in the city would have had to rally for long demanding local authorities to solve their land dispute.

On his way through the city, the vice-president noticed several demonstrators whose slogan read: "Rutskoy, Give Us Land". The vice-president who is in charge of land reform in the country ordered to stop the car.

The demonstrators were completely unaware of Rutskoy's arrival to the city. They live in a St. Petersburg

suburb and were demanding that local authorities give plots of land there to them, rather than to St. Petersburg residents.

Rutskoy asked the head of the regional administration to solve the problem in one week.

One can only imagine how surprised the demonstrators remained. They have been rallying at the regional council building for eight months already.

Rutskoy, however, arrived to St. Petersburg to see off a model of the statue of Christopher Columbus which is to be erected in Miami, the U.S. The first part of this Russian gift to the American people sailed off from St. Petersburg on Monday.

Rutskoy also had a meeting with local authorities to discuss housing construction for the military who are to be withdrawn from former Soviet republics. The city and the region might get part of the finances allocated for the purpose.

Discusses Military Housing

LD0308105192 Moscow ITAR-TASS in English
1040 GMT 3 Aug 92

[Text] St. Petersburg August 3 TASS—Russian Vice-President Aleksandr Rutskoy arrived in St. Petersburg on Monday.

Rutskoy had a closed-door meeting with Vice Mayor Vyacheslav Scherbakov and other city leaders. One of the topics of discussion was housing construction for the military, TASS learned from informed sources.

Mayor Anatoliy Sobchak is on vacation at present.

Buryatia To Receive Disaster Assistance

LD0308110292 Moscow Radio Rossii Network
in Russian 0800 GMT 3 Aug 92

[Text] By a decision of the Russian Government, assistance will be provided to Buryatia in eliminating the consequences of natural disasters which have befallen the republic. For example, a number of ministries were instructed to allot additionally in 1992 a total of 40,000 tonnes of grain, 1,000 tonnes of sugar, 70,000 tonnes of concentrated fodder for livestock-raising requirements, agricultural equipment, and money to pay for reforestation and to compensate for expenses in connection with extinguishing forest fires.

Apart from this, the Central Bank of the Russian Federation will grant to the Republic of Buryatia's Council of Ministers a credit to the sum of 752 million rubles to be used by agricultural enterprises affected by natural disasters, ITAR-TASS reports.

Kirov Trade Unions 'Losing Faith' in Government*OW0308101992 Moscow INTERFAX in English
0925 GMT 3 Aug 92*

[Transmitted via KYODO]

[Text] Trade unions in the Kirov region have proposed that Russia's President appear on Central Television and pinpoint the causes of the critical situation in the economy. In their opinion, the President must say concretely what the government plans to do and when to stabilize the economy and improve living standards. This has been told to the press-service of the Independent Trade Unions Federation of Russia by the Chairman of the Federation's Collective Actions Coordinating Committee Aleksandr Strelnikov.

He disclosed that some enterprises in the Kirov region had to switch to a 4-day working week and thousands of people were on unpaid leaves. People have been losing faith in the government.

Commission Chairman on Ossetian Conflict*LD0108123592 Moscow ITAR-TASS in English
1050 GMT 1 Aug 92*

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz August 1 TASS—"The commission has fulfilled completely all provisions of the quadripartite Dagomys agreement on South Ossetia: fire has ceased in the area of Tskhinvali, a 15-kilometre neutral corridor has been created and the warring parties have been disengaged. Refugees began to return home, and key economic structures began to be restored," Sergey Shoygu, chairman of the Russian parliamentary commission for the settlement of the Ossetian-Georgian conflict, said today at a session of the North Ossetian parliament.

At the same time, he pointed out that there are some things which worry the command of the mixed peace-keeping forces. For example, neither the Georgian nor the Ossetian side have presented so far the maps of mine fields, as a result of which civilians strike mines. Only 300 out of 600 mines were defused. The local population is in no hurry to hand in weapons.

South Ossetian management structures should be more active, Shoigu stressed. The first 400 prefabricated houses, building equipment and materials will come to South Ossetia in a few days. A special mixed service for restoring life-support facilities is being created. Russia and Georgia have fully taken upon themselves the restoration of housing in the Tskhinvali zone.

The session adopted an appeal to the peoples of South and North Ossetia, which urges them to settle all controversial problems by peaceful means and restore the economy as soon as possible.

According to the ITAR-TASS information, South Ossetian leaders were invited to attend the session, but unfortunately they did not come to Vladikavkaz, explaining it by the difficult situation in the region.

Tuva Independence Plans Postponed Due to Economy*PM3107133392 Moscow KRASNAYA ZVEZDA
in Russian 29 Jul 92 p 3*

[Report by Sergey Knyazkov "Direct Line" from Kyzyl: "It Appears that Tuva People's Front Intends To Hold a Referendum on the Republic's Secession From Russia. Not Now, but in the Longer Term"]

[Text] A report on Tuva's intention to secede from Russia was broadcast in a television report from the republic during the Ostankino Russian Television Company's "Itogi" program on Sunday [26 July]. This was said to be the main reason for the hasty departure of Russian residents in search of new homes.

In order to clarify the situation, I called Colonel Vladimir Kozlov, the republic's military commissar. According to Vladimir Ivanovich, a statement to this effect was indeed made by the People's Front leaders about a month ago, but it was not backed by either the republic leadership or broad sections of the population. What is more, a meeting was held recently between Vyacheslav Salchak, chairman of the Free Tuva (this is the title of the People's Front) Executive Committee, and Oorzhak Sherig-ool, president of Tuva; Bichedlya Kaadyr-ool, chairman of the Supreme Soviet; and members of supreme legislative and executive bodies. They managed to persuade the "radicals" that the republic's economic position was so difficult that survival without Russia was an illusion.

After that meeting the position of the People's Front altered. It has not given up the idea of independence, but its implementation is being postponed to a later date. It is planned, proceeding from the republic's constitution, to put this question to a nationwide referendum.

Colonel Vladimir Kozlov confirmed that a section of the Russian population is leaving Tuva, but rather than resembling an exodus, this process is more in line with the general migration which has set in on the territory of the former USSR. Russian servicemen continue to discharge their military duty here. Tuva's president and members of the government meet with them regularly. So, on the instructions of Oorzhak Sherig-ool, their salaries have been paid, despite cash flow difficulties.

The latest army draft has also been successful in Tuva. The draft is now nearing completion, the military commissar stressed. Tuva's young men have been sent to serve in the Pacific Border District, the Moscow Military District, the Transbaykal Military District, and the Siberian Military District.

International Affairs

Yeltsin-Kravchuk Black Sea Fleet Talks Reported

Officers' Union Adopts Statement

LD0208165492 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 2 Aug 92

[Text] Problems in the further development of Ukraine's own armed forces were discussed yesterday at a plenum of the Executive Committee of the Officers' Union of Ukraine. Considerable attention was paid to the status of the Black Sea Fleet both in a report by Colonel Hryhoriy Omelchenko, chairman of the union, and in speeches by officers and people's deputies.

On behalf of the officers' corps of Ukraine, a statement was adopted and addressed to Presidents Leonid Kravchuk and Boris Yeltsin, who are to meet in Yalta on Monday [3 August] to discuss the Black Sea Fleet.

According to Western estimates, the value of this fleet's ships and submarines is \$80 billion. Most ships were built in dockyards of Ukraine and are now based in its ports. It was stated at the plenum that the command of the united armed forces of the CIS gives preference to people from Russia when manning the fleet. For instance, practically all recruits of the marine infantry brigade in Sevastopol swore an oath to Russia when doing their service in Ukraine. The participants in the plenum insist that the issue of creating Ukraine's own marine infantry has to be on the talks' agenda.

Admiral Kozhin Comments

LD0208191292 Moscow ITAR-TASS in English 1814 GMT 2 Aug 92

[By UKRINFORM special correspondent Anatoliy Grigoryev for TASS]

[Text] Yalta August 2 TASS—The Ukrainian and Russian Presidents, Leonid Kravchuk and Boris Yeltsin, will meet in the resort of Yalta on Monday [3 August]. They are to discuss the mechanism of the implementation of the Dagomys agreements and also to conduct negotiations on the destiny of the Black Sea Fleet.

The summit is expected to begin at midday [0800 GMT]. A briefing on its results is planned to be held in two hours. A joint news conference will begin at five p.m.

As the weather is good, the organisers plan to hold meetings with the press in the open. The mass media show much interest in the summit. A large number of Ukrainian, Russian and foreign journalists arrived in Yalta to cover the meeting.

"What do you expect of the forthcoming negotiations", UKRINFORM asked Rear Admiral Boris Kozhin, the commander of the Ukrainian Navy, who arrived in Yalta on Sunday.

"I am a military man and I will discharge the functions which will be determined at the meeting. Therefore it would be wrong of me to make forecasts", Kozhin said. "It would be better to wait until tomorrow. But I am sure that truth, good will and sanity will prevail. I also hope that the final decision will be taken regarding the Black Sea Fleet".

Kravchuk, Yeltsin Preview Talks

LD0308105992 Moscow ITAR-TASS World Service in Russian 0957 GMT 3 Aug 92

[By ITAR-TASS diplomatic correspondent Rostislav Gertsev]

[Text] Yalta, (Crimea), 3 Aug—The meeting between the presidents of Russia and Ukraine began today at the state dacha in Mukhalatka in greater Yalta.

Leonid Kravchuk and Boris Yeltsin met with journalists before the talks began. The Ukrainian president stated that the sides will be able to resolve the problems facing them if they act on the basis of the law and take into account the national interests of both states. "I will defend the position I have brought to the meeting, while respecting the interests of Russia," he said, "and I hope that the Russian side will have the same approach."

Replying to a question about whether there are any differences between him and the Russian president, Leonid Kravchuk stressed: "There may be no differences between us, but just as an individual is not free from society, so are presidents not free from their Supreme Soviets." "We will have to take into account the stances of legislators, and there are problems in the relations between the Russian and Ukrainian parliaments," he stated.

Commenting on the Black Sea Fleet, Leonid Kravchuk said: "There will be difficulties, but we will come to an agreement on the Fleet. I want this to be another difficult step by Russia and the Ukraine after Dagomys."

"We intend to discuss how the process of implementing the Dagomys agreements is going," Boris Yeltsin said in turn. "Maybe we will reach a new level." Leonid Kravchuk agreed with this point of view.

Stress Dagomys Agreement

LD0308193892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1400 GMT 3 Aug 92

[Remarks to journalists by Russian President Boris Yeltsin and Ukraine President Leonid Kravchuk after meeting at Mukhalatka in the Crimea on 3 August; recorded—from the "Novosti" newscast]

[Text] [Yeltsin] As for the aim, it is the following. The first thing is to see how our Dagomys agreement is being implemented. It gave a good impetus both to mutual

understanding and to the development of cooperation between the two independent major states. The second thing is that we may find the new (?ways). This, in summation, is the news.

[Kravchuk] I have said exactly the same.

[Yeltsin] I should like to quote the following proverb: Great minds think alike. [general laughter]

[Correspondent] Excuse me, can I ask you... [sentence incomplete]

Talks Open, Agreement Reached

LD0308161192 Moscow ITAR-TASS in English
1556 GMT 3 Aug 92

[By ITAR-TASS diplomatic correspondent Rostislav Gertsev]

[Text] Mukhalatka, Ukraine, August 3 TASS—Russian President Boris Yeltsin and Ukrainian President Leonid Kravchuk signed an agreement on the Black Sea Fleet in Yalta, Crimea, on Monday [3 August].

Under the agreement, the Russian fleet will withdraw from under CIS control to form a Ukrainian-Russian fleet under joint command. The fleet commander will be appointed and dismissed only with consent of the Russian and Ukrainian presidents.

Kravchuk on Joint Control

LD0308201692 Moscow Russian Television Network
in Russian 1900 GMT 3 Aug 92

[Statement by Ukrainian President Leonid Kravchuk in Crimea on 3 August; from the "Vesti" newscast—recorded]

[Text] The main idea of this document is that for the transitional period the Black Sea Fleet is withdrawn from the CIS and becomes the unified fleet of Russia and Ukraine with a unified command that is appointed by the two presidents—the Russian and Ukrainian presidents. People are released from their posts by the consensus of the two presidents as well. The Black Sea Fleet and its unified command are directly subordinate to the presidents of Ukraine and Russia. The existing base—everything there—is being used jointly today. This is for the transitional period—until 1995, inclusive.

News Briefing Sums Up Results

LD0308163592 Moscow Mayak Radio Network
in Russian 1340 GMT 3 Aug 92

[Report by correspondent Yuriy Semenov from Crimea on meeting between Russian President Boris Yeltsin and Ukraine President Leonid Kravchuk]

[Text] [Announcer] It seems we finally have the possibility of keeping our promise, as I understand we will, in practical terms, be the first to report on what the two

presidents, Russian President Yeltsin and Ukrainian President Kravchuk, have been talking about. Our special correspondent Yuriy Semenov is on the telephone line. I warn you that the quality of the line isn't very good, but the news is clearly the latest and the most important. We're listening.

[Semenov] I hope you can hear me, because I can't even hear myself. Here at the press center all the telephones have been switched on at once and the journalists of various agencies and news channels are reporting on many lines on the results of the meeting between Presidents Yeltsin and Kravchuk. Literally a few minutes ago a press conference ended that summed up the results of the meeting. I'll just cite the main things.

The presidents have confirmed their determination to build relations between Russia and Ukraine as friendly states, and have agreed on the main, fundamental issues of the Russian-Ukrainian treaty on friendship, cooperation, and partnership. Ministers and other aides to the leaders of both states have been instructed to quickly finalize this treaty. As proposed by Ukraine, when it is ready it will be signed in Moscow.

The second point is very serious and perhaps, to some extent, sensational. Quite an unexpected decision has been taken on the Black Sea Fleet. It must be said that by the time of the meeting, working groups and even ministries had not managed to reach a joint decision on this subject. The presidents had to take it on themselves to resolve the issue. They have decided on this option: The Black Sea Fleet is withdrawn from the subordination of the CIS and will be a joint Ukrainian-Russian fleet. A transitional period of three to five years has been announced. The command of the Black Sea Fleet will be subordinate only to the presidents of Ukraine and Russia, and all personnel questions, issues connected to the use of the Fleet's bases and equipment, and economic problems will be settled jointly.

It is difficult for me to make sense of this decision straight away, (?in any case) it has been unexpected for many people. The presidents believe this will remove the tension both in the Fleet itself and among those categories of the Russian and Ukrainian population who have a particular interest in this.

They also devoted attention to economic problems, to issues connected with continuing reforms. In particular, specific instructions have been given to coordinate the most vexing issues, that is, prices for grain, sugar, and oil in mutual transactions between the two states. I think this will help reduce tension in economic relations to some extent.

The foreign ministers have also signed agreements on issues connected with the property abroad of the former Union, you know this was one of the difficult factors in relations between Russia and Ukraine. They also signed a memorandum on consular relations; in particular I can say straightaway that a decision has been taken that from now on, and for a long time to come, reciprocal travel to

Ukraine and Russia will not carry any formalities, either with visas or any other diplomatic documents.

Ukraine has confirmed its interest in resolving the Dniester conflict, and has made no complaints over the fact that it is not taking any direct part in this.

In general terms it must be said that the atmosphere on the threshold of this [words indistinct] where the talks have been held and where the press conference was then held was quite amicable. There is a feeling that the presidents of Ukraine and Russia have come together on a personal level, too; they even announced jokingly that they have decided from now on to address one another as Boris and Leonid.

I should like to end this initial express news on this point.

'Unprecedented Friendship' Noted

LD0308195592 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1700 GMT 3 Aug 92

[Video report from Crimea by unidentified correspondent on news conference given by Russian President Boris Yeltsin and Ukraine President Leonid Kravchuk after meeting on 3 August, including recorded segment of Yeltsin remarks—from the "Novosti" newscast]

[Text] [Announcer] Before taking off [for the Crimea] Yeltsin said at the airport that the Black Sea commissions had failed to agree. The defense ministers who had gathered for a meeting earlier also failed to agree. So, it is now up to the presidents. The Dagomys experience must have served as inspiration.

[Correspondent] Boris Yeltsin's arrival in Yalta for the talks with Leonid Kravchuk is being regarded here as the complete end to the Crimean affair and as the recognition by Russia of the rights of Ukraine to the peninsula. The relations between the leaders of the two countries have become so close that they switched to the familiar form of address today.

[Yeltsin] No patronymics from now on. After all, when I talk to George Bush we are on first-name terms. So why on earth should I address the Ukrainian president solely as esteemed Mr. Kravchuk or Leonid Makarovich? We have therefore agreed that from now on we will address each other as Boris and Leonid. [video shows beaming face of Leonid Kravchuk]

[Correspondent] The unprecedented friendship has allowed the presidents to fully resolve the problem of dividing the Black Sea Fleet in five hours of talks; that is, at least for the next three years. This is how long the transitional period will last. During this time the warships will no longer be subordinate to the CIS troops but will be accountable to the joint command of the Russian and Ukrainian navy. Journalists were not told which flag will be hoisted on the warships and what Admiral Kasatonov will do.

The leaders of the two countries have managed to divide not only the warships and the property used by the USSR abroad to house its diplomatic, consular, and trade organizations, but also the state dachas which have spawned in abundance along the coast of the Black Sea.

The delegations have effectively finished work on the treaty on friendship, cooperation, and partnership. The document, Kravchuk said, will be signed in Moscow in the near future. The talks on economic questions have ended with the confirmation of the need of the development of mutually beneficial cooperation. Boris Yeltsin even said that they have managed to agree on grain, sugar, and oil prices. So it seems that we will either see grain prices go down in Russia, or sugar will go up in Ukraine.

On parting, Yeltsin and Kravchuk promised that they will now be meeting on a regular basis.

Yeltsin, Kravchuk Hail Accord

LD0308165792 Moscow ITAR-TASS World Service
in Russian 1546 GMT 3 Aug 92

[by ITAR-TASS special correspondent Rostislav Gertsev]

[Text] Mukhalatka, 3 August—Weighty, politically strong, and balanced—this is how Russian President Boris Yeltsin described the agreement on the Black Sea Fleet signed in Mukhalatka today.

Speaking at a news conference at the end of the meeting, Boris Yeltsin stated that the presidents have managed to find a "joint approach corresponding to the historical traditions and future interests of the Russian and Ukrainian peoples." He noted that Russia and the Ukraine are two large independent states, both of which influence politics in Europe, and are actively entering the world political arena; therefore "they should implement a common policy."

Ukraine President Leonid Kravchuk described the agreement that has been signed as "politically sound and appropriate to the situation." He said that the decision should "reassure the peoples of Russia, Ukraine, and Crimea, and the officers of the Black Sea Fleet." He noted that in signing the agreement, the sides were guided by the accords reached in Dagomys, by the neighborly relations between Russia and Ukraine, and by their common interests in the Black Sea and Europe. Asked by journalists about the possibility of Ukraine joining the nuclear club, Leonid Kravchuk replied that control of nuclear arms remains with the unified command, while Ukraine, which so far still has access to such weapons, has a responsibility to see they are not used. The Black Sea, he continued, should remain a zone of peace and cooperation, in accordance with the agreement signed in Istanbul, and hence it will have a non-nuclear status. The presidents of Russia and Ukraine also examined the basic principles for a full-scale treaty between the two states. The foreign policy departments

of the two countries have been instructed to finalize work on the treaty so that it can be signed at the next meeting in Moscow.

During their meeting in Mukhalatka, the foreign ministers of Russia and Ukraine signed an agreement on resolution of disputes concerning the former property of USSR foreign missions, and also signed a document on visa-free entry and exit between Russia and Ukraine.

Accord To Be Signed in Moscow

*OW0308163392 Moscow INTERFAX in English
1554 GMT 3 Aug 92*

[Transmitted via KYODO]

[Text] At their meeting at Mukhalatka the presidents of Russia and Ukraine, Boris Yeltsin and Leonid Kravchuk, confirmed their willingness to develop friendly relations between the two countries and discussed the main points for the future Russian-Ukrainian Treaty on Friendship, Cooperation and Partnership.

Kravchuk said at a press conference after the meeting that the work on the fundamental propositions for the treaty, which would be signed very soon, was practically over. The details were now being handled by the foreign ministries of both countries. At Ukraine's suggestion the document would be signed in Moscow.

According to Kravchuk, the two states have common strategic interests both in Europe and the world at large. "We ought to build a lasting good-neighborly relationship based on cooperation," he said.

Yeltsin stressed the increased importance of the dialogue between the two nations when the presidents took part in it. He said an agreement had been signed on the Black Sea Fleet taking into consideration the interests of Russia, Ukraine, and the Crimea. All the steps the presidents had taken were based on Dagomys agreements.

Yeltsin said he had "sad news" for those "prophets" from the mass media who had predicted no important results for the Mukhalatka meeting.

Yeltsin on Persian Gulf

*OW0308162692 Moscow INTERFAX in English
1554 GMT 3 Aug 92*

[Transmitted via KYODO]

[Excerpts] Russia's President Boris Yeltsin and Ukrainian President Leonid Kravchuk held a meeting in Mukhalatka (near Yalta in Crimea) this Monday [3 August]. Both presidents acknowledge that the meeting has produced an important agreement in regards to the Black Sea Fleet. [passage omitted]

Asked by IF [INTERFAX]'s correspondent if Ukraine's participation in managing the nuclear fleet implies its

joining the nuclear club, Kravchuk replied in the negative. "I do not think that the agreement adopted for the transitional period means that Ukraine is joining this club. Even the START treaty envisages a gradual (seven-year) nuclear disarmament. Besides, Russia and Ukraine proceed from the concept that the Black Sea should be the zone of peace, cooperation, be nuclear-free".

Asked by IF's correspondent whether any Russian ships are operating in the Persian Gulf, Boris Yeltsin denied such allegations. The fact is that following the U.N. resolution on Iraq, Russia agreed in principle that if needed it can send its ships to the region, not for participation in military actions, but for military presence. According to the Russian leader, that will be one or two ships. However, Iraq is implementing the U.N. decisions and in this connection President Yeltsin expressed hope that there would be no need to fulfil "this agreement" in practice.

[In a related report carried INTERFAX at 1554 GMT reports Russian Defense Minister Pavel Grachev "is very pleased with the decisions made in Mukhalatka." In an interview with an INTERFAX correspondent, Grachev said, "I said before that it is inadvisable to divide the Black Sea fleet since the fleet's command and personnel are not ready for it, nor is the principle for the division been worked out yet."

[He is further quoted as saying: "The decision taken at the recent meeting is the most viable. The three years which were granted us will allow both Ukraine and Russia to examine in detail how to divide the Black Sea Fleet after 1995. The agreement, in addition, will also ease the tension among the officers of the fleet and the residents of Sevastopol." Grachev added that the fate of the present commander of the fleet, Admiral Igor Kasatonov, will be decided by the presidents of both Russia and Ukraine.]

Black Sea Fleet Reports Violation on Moratorium

*OW0408102692 Moscow INTERFAX in English
0930 GMT 4 Aug 92*

[Transmitted via KYODO]

[Text] The press center of the Black sea fleet reports another violation by Ukraine of the joint moratorium with Russia on unilateral steps with regard to the fleet. This is how it describes the order of the Ukrainian defence minister to place the Sevastopol and Chernomorsky naval academies under Ukrainian jurisdiction.

The report from Sevastopol also criticizes the Officers' Union of Ukraine for "doing everything to destabilize the situation in the Black sea fleet and speed up its transition under Ukrainian jurisdiction". It quotes the results of a poll of the latest congress of the Union at which 20% of the delegates named Russia as enemy No. 1.

Ukraine Claims Ownership of TU-160 Jet Bombers

LD0408124592 Moscow Radio Rossii Network
in Russian 1000 GMT 4 Aug 92

[Text] Yesterday, the leaders of Russia and Ukraine reached a mutually acceptable decision on the future of the Black Sea Fleet, as first comments suggest. However, it is difficult to imagine that the implementation of this decision will go smoothly. There are still questions, and not only where the military marine are concerned.

Likewise, some of the military aircraft are in Russia, but the uniforms and helmets for the crew are in the Ukraine. That is something else to be divided. Our correspondent Igor Deryugin reports from Saratov:

[Deryugin] The TU-160, a jet bomber which is now being tested at an airfield in the Saratov area, is deemed to be one of the most important components of the national [otechestvennaya] strategic triad alongside the TU-95. The maximum flight speed of this machine is 2000 km an hour, maximum weight at take-off is 265 tonnes.

These and other performance data allow specialists to consider this machine to be the most powerful aviation complex in the world.

Tests of these planes in the Saratov sky are being carried out by officers of the Poltava-Darvinskiy Guards Aviation Regiment, based in Priluki [Ukraine]. However, at present it is hard to consider the regiment as existing, for the majority of its officers having refused to take the oath of allegiance to Ukraine, are now serving in a unit in the Saratov area.

The decision to leave Ukrainian territory was made at the General Officers' Assembly. Here, in the Volga region, they are facing a lot of problems as well, accommodation being the main one. But these are problems of a different magnitude, the officers believe.

In the meantime, 19 TU-160 planes have been left in Priluki, and Ukraine is claiming them. In terms of strategic capability they are unlikely to be of interest to Ukraine. So, the probability is that the bombers will be sold, fetching at least two billion [currency not specified] each. So, following the Black Sea Fleet, the long-range aviation which used to be part of the single CIS system of strategic forces is now up for grabs.

New Black Sea Fleet Ship Launched

PM0308132992 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1700 GMT 29 Jul 92

[From the "Novosti" newscast: Video report from Nikolayev by I. Petkov and N. Zharkov]

[Text] [Announcer] While politicians continue to haggle over old vessels in the Black Sea, Ukraine's shipyards are launching new ships for its Navy.

[Petkov] Slavutich is the name of the most modern vessel in terms of combat equipment and means of communication. Commissioned by the former USSR Defense Ministry, it became a welcome addition to the fledgling Ukrainian Navy on completion. Its commander, Rear Admiral Kozhin, told the ceremonial gathering that the Slavutich is the fleet's Number One ship, destined to command that fleet. By the irony of fate, another of the Black Sea Shipbuilding Plant's pride and joys—the aircraft carrier Varyag—languishes in a deserted "blind alley" alongside this Adonis. There is no way that this vessel can be divided up as there is nothing with which to complete its construction. The suppliers, mainly plants in Russia, have refused to send equipment. There is no money to complete the giant project. Besides, Ukrainian sailors don't appear to need it. The Black Sea is just not big enough for the Varyag.

'Slavutich' Future to be Discussed

LD0308125692 Moscow ITAR-TASS in English
1051 GMT 3 Aug 92

[By ITAR-TASS correspondent Andrey Naryshkin]

[Text] Moscow August 3 TASS—The future of the Slavutich, a command and reconnaissance ship, will be a topic of talks at the Russian-Ukrainian summit today, a spokesman in the high headquarters of the Commonwealth Navy told ITAR-TASS.

Some reporters said that this ship is allegedly the first combat unit built specially for the Ukrainian Navy.

"The true name of the ship, which was given to it in 1986 is Pridneprovye," Captain 1st rank Valeriy Moiseyenko, who heads a department in the main Naval headquarters, told ITAR-TASS today. "The decision to build it was made by the Navy and the former ministry of the ship-building industry of the USSR on February 6, 1981."

Moiseyenko clarified that the ship was planned to be assigned to the North Fleet. Its purpose-built armaments and technical facilities were designed for the conditions of the Arctic and north Atlantic. This ship has nothing to do in the Black Sea, Moiseyenko speculated.

The crew for the Pridneprovye was formed in the North Fleet and arrived to assume their duties aboard the ship that has not yet slid down the launching ways and was standing near the wall of the Nikolayev plant in late February. However, starting from May 28 the Ukrainian Defence Ministry has barred the Navy men from the ship. Instead, an Ukrainian crew was formed for the Pridneprovye, which was renamed as the Slavutich.

According to Moiseyev, the incident involving the Pridneprovye gives grounds to speak about "the direct violation of the moratorium on unilateral actions" with regard to the Black Sea Fleet, which was enforced by Presidents Yeltsin and Kravchuk. This and other ships that were built at Ukraine's plants on the order of the

Navy of the former USSR are the subject of talks on the Black Sea Fleet between the Russian and Ukrainian state delegations and it is impermissible to take unilateral and uncoordinated actions towards them, Moiseyenko concluded.

Security Agreement Signed With Byelarus

LD3107180192 Moscow ITAR-TASS World Service in Russian 1550 GMT 31 Jul 92

[By UKRINFORM correspondent Aleksandr Litvinov for TASS]

[Text] Kiev, 31 Jul—In order to coordinate the implementation of specific intelligence and counter-intelligence missions, in the interests of the security of the republics of Byelarus and Ukraine—this is the purpose of an agreement signed in Kiev today on cooperation and interaction between the security services of the two states. An accord was reached to exchange information in good time concerning revealed instances of subversive intelligence activity and the intentions of the secret services and organizations of foreign states with regard to the two countries.

The sides have committed themselves not to carry out intelligence activity against one another and not to implement operative measures with regard to the employees and workers of the partner without preliminary notification. There is an accord on handing over information to one another on possible extreme and emergency situations which affect the sovereignty, territorial integrity, defense capability, or the economic and ecological security of Byelarus and Ukraine.

By taking upon themselves the obligation to implement joint measures for the protection of the two countries' economic interests, the special services will cooperate in the fight against corruption and organized crime, of both an inter-state and inter-regional nature, international terrorism, and the drugs business. The equal and mutually advantageous partnership in this sphere also envisages joint actions aimed at supporting the established border regime and halting the illegal transport of weapons, ammunition, explosives, poisons, and drugs across the common border. The security services of the two states will also coordinate measures to ensure the safety of citizens of the Republic of Byelarus in Ukraine, and Ukrainian citizens in Byelarus, and also the safety of diplomatic missions situated on their territories, as well as of defense industry sites, atomic energy sites, nuclear missile complexes, and special and military transportations.

Statistics on Border Offenses Reported

AU3107125892 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 31 Jul 92

[Text] The Press Service of the Border Troops has issued the following information: Since March, at the section of the border with the Republic of Moldova, almost 2000

border violators, mainly citizens of Romania, have been detained. Attempts by ten armed groups to cross the border in the Dniester region have been thwarted. During border smuggling attempts, 10,000 machine guns, pistols, grenade throwers, more than 150 hand grenades, and large quantities of side-arms have been confiscated. An end has been put to attempts of illegal transportation across the border of foodstuffs, manufactured goods, and raw materials, including strategic ones.

Over the past four months, almost 4,500,000 citizens and more than 600,000 vehicles have been allowed to cross the border after close examination.

Demarche Made to UN Over Sarajevo Incident

LD0308124792 Kiev Ukrayinske Radio First Program Network in 0900 GMT 3 Aug 92

[Text] The Ministry of Foreign Affairs of Ukraine has instructed its UN representative to present a demarche to the UN Secretary General in connection with the shooting in Sarajevo, Yugoslavia, at the contingent of UN peace-making forces from Ukraine.

National Affairs

Law Published on State of Emergency

LD2407195892 Moscow ITAR-TASS in English 1823 GMT 24 Jul 92

[Text] Kiev July 24 UKRINFORM-TASS—The Ukrainian mass media today were issued for publication the text of the law on the state of emergency intended to ensure safety of citizens in the event of natural calamities, accidents and epidemics, as well as defend the rights and freedoms of citizens and the constitutional system against mass rioting threatening people's life and health or attempts at forcible take-over of the state power or change of the constitutional system of the republic.

The law defines the aim, conditions and procedure of imposing the state of emergency and its termination.

Law on National Minorities Ratified

AU2607154092 Kiev HOLOS UKRAYINY in Ukrainian 16 Jul 92 p 2

["Ukraine's Supreme Council Resolution on Implementing Ukraine's Law 'On National Minorities in Ukraine'" issued in Kiev on 25 June]

[Text] Ukraine's Supreme Council resolves as follows:

1. To implement Ukraine's law "On National Minorities in Ukraine" on the day of its publication.
2. To authorize Ukraine's Cabinet of Ministers to submit proposals to Ukraine's Supreme Council on introducing

changes and additions to Ukraine's legislative acts, proceeding from Ukraine's law "On National Minorities in Ukraine" and bring the Government's decisions in conformity with this law.

I. Plyushch, chairman of Ukraine's Supreme Council
Kiev, 25 June 1992

Further on Fokin's Concern Over Harvest

LD0308222992 Moscow Radio Rossii Network
in Russian 0100 GMT 3 Aug 92

[Text] Harvesting is in full swing in Ukraine. Prime Minister Vitold Fokin is making a trip round the republic in an attempt to reach agreement with the peasants on grain procurement prices. Lyudmila Mavrina in Kiev gives us the details.

[Mavrina] On 31 July Ukrainian Prime Minister Vitold Fokin arrived in Odessa Oblast, where he visited collective farm fields and grain threshing floors. The press has reported that the premier had a meeting with senior agricultural workers, at which a wide range of problems concerning agricultural production, harvesting progress, and the rate at which the harvest is being delivered to state granaries was discussed. He spent all last week visiting the regions of Ukraine with the aim of persuading local proprietors and collective farm chairmen to sell grain to the state at the lowest possible prices, from 9,000 to 12,000 rubles per tonne. In so doing, Fokin himself probably reckoned that with the prices he was offering, grain production would give a 200 percent profit. The premier's arithmetic is evidently somewhat faulty here, because according to official statistics, inflation over the last six months has been about 600 percent, and it is a hard job to persuade grain growers to hand over grain at a loss.

The Cabinet of Ministers resolution of 29 July to the effect that there will be no increase in bread prices is reminiscent of a propaganda trick of the recent past. Money inflation will continue, all the same, and that means that bread prices will go up. However, the current Cabinet policy means more folks are going to get fleeced and the pleasure of the transition to normal supply and demand relations will be eked out most deliciously. It's like the story about the soft-hearted master who, out of pity for his dog, snipped off his tail bit by bit.

There is the hope that the prime minister's trip around Ukraine will bear some fruit, at least; but the majority of peasant farms will hold out until the last possible moment on selling grain to the state, rightly fearing that in three months inflation will eat up the aforementioned 200 percent. Since they have no grain storage facilities, part of the harvest will quite simply rot.

The seeking of subsidies within local budgets looks altogether anecdotal and reminds one of those economic subversions that the Ukrainian premier was complaining about the other day in a Ukrainian radio interview, when

he stated that an economic war was being waged against Ukraine by nearby foreign countries. In Fokin's view, the way out of the situation that has come about lies in leaving the ruble zone as soon as possible. The creation of such global difficulties in the economic plane seems to have become the rule for this Cabinet of Ministers. The most important thing is to have something to combat successfully later on.

Defense Commander Warns Against Hasty Reforms

PM0308113892 Moscow KRASNAYA ZVEZDA
in Russian 1 Aug 92 p 1

[Anatoliy Polyakov report: "Ukrainian Air Defense Forces. 'Reformers' Spur These Forces to Ill-Considered Steps"]

[Text] The statement issued by Lieutenant General Mikhail Popatin, commander of the Ukrainian Air Defense Forces, during a meeting with journalists was filled with alarm for the future. At present the republic's air defense forces consist of three regions—the south, west, and central regions. They operate within a single area [v yedinom konturye] with the Russian, Byelorussian, and Black Sea Fleet Air Defense Forces, but without those in Moldova, on whose border additional radiotechnical posts have been placed.

The troops have plenty of problems. Every day more than 150 aircraft cross Ukraine's state border, border incursions from Romania have become more frequent, and unpredictable flights by hang gliders and small aircraft have become a frequent occurrence. Up to half of the draftees who come do not want to work at Air Defense "posts." Many of them are already drug addicts or alcoholics and lack lofty moral qualities. There is a shortage of new equipment and spare parts and due to lack of fuel pilots' flying time is little more than 50 percent of the planned level.

At this tense time some "reformers" have suggested urgently, within three or four months, disbanding the air defense system and amalgamating its subunits with Ukrainian Air Force units. Lt. Gen. M. Lopatin sharply objects to such suggestions, which disrupt existing ties and jeopardize the air defense forces' implementation of their tasks. He advocates reasonable reform of the troops under his jurisdiction and a gradual integration over two or three years of the Air Force and the Air Defense Forces into air defense troops [voyska oborony vozdukhno prostranstva].

Guard Deployment Purposes in Donbass Questioned

PM3107111992 Moscow ROSSIYSKAYA GAZETA
in Russian 29 Jul 92 First Edition p 7

[Anatoliy Gordeyev report under "Law and Order" rubric: "You Can't Keep Pace With Criminal Scum While Wearing White Gloves"]

[Text] Donetsk—First the rumors spread. Then the news that a Ukrainian National Guard Division has been deployed in the Donbass filtered through into the local newspapers. This immediately stirred up public opinion in the mining region, which has never been the locale for the deployment of even minor military units. A meeting between the division's commander, Colonel V. Govorukha, deputies of the oblast soviet, and journalists was an attempt to quell passions.

The officer tried as much as he could to answer the barrage of questions. However, he was unable to clarify the situation. When the conversation turned to the guard billeted in Donetsk, Lugansk, and Mariupol, he skillfully dodged the questions, or referred questioners to Ukraine's parliamentarians. Ask them, he said.

So the question as to why draftees mainly from the western oblasts of Ukraine are being sent to a region inhabited by representatives of more than 100 nationalities was left hanging. The breakdown by oblasts with which Col. Govorukha tried to deflect the attention of the assembly only confirmed apprehensions that there are increasing numbers of natives of the Galicia region in the regiments and battalions.

Oblast soviet deputies not surprisingly inquired who would maintain the division, and at whose expense? It is known that Donetsk Oblast is itself on a food subsidy. Moreover, the western oblasts are increasingly refusing to send food here. "You need not worry—the guard will be maintained from the republic budget," the commander answered. That is to say, from the same budget into which the Donbass contributes the lion's share (around 75 percent) of its income, receiving a pittance after distribution.

Perhaps the game is worth the candle, and the region needs the division? This is doubtful. A statement to the effect that the subunits are designed to come promptly to the aid of the population during natural disasters only caused bewilderment. God has so far spared this lofty steppe region from floods, snowfall, and typhoons. If natural cataclysms have occurred—even old inhabitants do not remember any—then the Donbass has coped with their consequences through its own forces. That pit disasters occur is another question. However, the underground battle with fires and blowouts is conducted by mine rescue teams, manned by specialists of the highest qualifications....

So whichever way you turn there remains only one conclusion: Guardsmen have arrived "to maintain public order." However, here there is a total paradox. By the mighty decision of the Ukrainian Supreme Soviet, the guard, before it had even managed to take shape, was immediately removed from such "ignoble" tasks as, for instance, patrolling despite the worsening crime situation. Inhabitants of the cities of the Donbass have firsthand experience of the illogic of this step. You see, the new division at once absorbed several subunits formerly subordinate to the Ministry of Internal Affairs,

thereby denuding the front line of the battle against crime. In Donetsk alone, the number of patrols on the streets has been halved. The guard, by putting on white gloves, has given carte blanche to criminal scum. The crime curve rose sharply in the course of last month. Evidently the region will have to solve its own problems for itself.

Isn't this why labor collectives in the Donbass are already seriously considering forming workers militias to help the dwindling regular militia ensure law and order? Expectations regarding the national guard are slight. Just why the Donbass was supplied with one is anybody's guess....

Further Military Institutions To Open

AU3107125692 Kiev Radio Ukraine World Service
in Ukrainian 1000 GMT 31 Jul 92

[Text] Quite soon, nine higher educational military institutions [words indistinct] will be opened in Ukraine. This was reported by Major General Yuriy Prokofyev, chief of the Administration for Military Education at the republic's Ministry of Defense. In the capital, in addition to the recently created Kiev Military Institute for Ground Troops, a Military Institute of Communications Control and a Military Institute of Aviation will function. In Odessa, a Military Institute for Ground Troops is being created; in Kharkiv—a Military University and the institute for training Air Force pilots.

Next year, the military departments of Lvov State University, the Polytechnic Institute, and the Conservatory will admit students. In Kiev, a [military] department will be opened at the Medical Institute.

Republic Drawing Up Own Military Terminology

AU3107134092 Kiev Radio Ukraine World Service
in Ukrainian 1200 GMT 31 Jul 92

[Text] The native language of Ukrainians must be a methodological basis for the military statutes of Ukraine's Armed Forces. This is the opinion of [word indistinct] from Lvov who have created a Terminological Commission.

As of today, 300 military terms have been agreed upon. These terms emphasize the national character of Ukraine's military training. For example, the word *zaloha* is proposed for garrison, *lava* for column, *oboz* for rear, and *kres* for carbine. The innovators stress that the Terminological Commission proceeds from reliable and authoritative sources. These are, in particular, the Statutes of [word indistinct] Riflemen [Striltsi] and of the Ukrainian Insurrection Army.

At present, drafts of three statutes are being translated. Ultimately, they will be presented in September, at the (?level) of a Commission of Ukraine's Ministry of Defense.

Organized Crime Within Armed Forces Admitted

AU0308123392 Kiev Radio Ukraine World Service
in Ukrainian 1200 GMT 3 Aug 92

[Text] Unfortunately, organized crime has also affected Ukraine's Armed Forces. According to the Republic's National Security Service, a group of officers of the 15th Aviation Division, with its commander at the head, has organized what may be called a criminal cartel. For their personal profit, they, in particular, made use of transport aviation, and recently, officials of the 17th Tank Division sold about 200 army automobiles to unauthorized persons.

A special department for combating organized crime within the Armed Forces is engaged in enforcing law and order among the troops. This department was recently created at the Main Directorate of Military Counterintelligence.

Rukh on Concern Over Democratic Opposition

LD0208171292 Kiev Ukrayinske Telebachennya
Television Network in Ukrainian 1800 GMT 1 Aug 92

[Statement by Rukh's Small Council on creating the Congress of National Democratic Forces, adopted in Kiev on 1 August; read by Rukh Cochairman Vyacheslav Chornovil—live]

[Text] Understanding the need for coordinated action among Ukraine's democratic forces as Ukrainian society slips into authoritarianism and dictatorship with the Communist Party and nomenklatura, all of this proving tragic for our statehood, Rukh representatives participated in the work of the Congress of National Democratic Forces organizing committee, initiated by the leadership of the Ukrainian Republican Party and the Ukrainian Democratic Party. Rukh's Small Council worked out a program and organizational principles for Rukh's possible participation in such an association. However, most of these principles were not considered by Congress initiators. It follows from Congress draft documents and from utterances of its initiators—particularly, Dmytro Pavlychko, Bohdan Ternopil'sky, Mykhaylo Horyn, Larysa Skoryk, and others—that the congress will reject the idea of opposing the entire nomenklatura and communist system of power, confining itself to moderate criticism of the Supreme Council and the government. The practical actions of some Congress initiators underline that it is inadmissible to oppose presidential actions, which means approving his cadre policy, allowing him to involve Ukraine in imperial CIS structures, and permitting his active support of the antipopular Vitold Fokin government. It does not seem accidental that the organizers and supporters of the congress being created now brought about the Supreme Council's adoption of the antidemocratic law on presidential representatives by the insignificant majority of votes and refused to vote for the government's resignation three weeks ago. Recognizing Ukraine's unitary state system as one of the program

principles of the Congress, a number of Congress initiators [words indistinct] by their voting in the Supreme Council legalized the Crimean ASSR, giving impetus to the process of making Ukraine a confederation. The fact that Ukrainian Republican Party leaders refused to participate in the regular coordination council of democratic parties and organizations organized by Rukh on 31 July—where agreement was reached on a joint campaign on a referendum on dissolving the Supreme Council—is even more significant.

Finally, the fact that Rukh, the largest public and political organization of the national democratic trend in Ukraine, uniting hundreds of thousands of members and supporters, was allocated five mandates and several more mandates for certain Rukh members to whom Rukh's Small Council did not give such authorities is unprecedented. Rukh considers these mandates as not representing Rukh. All this gives ground for believing that organizers of the 2 August Congress want to split national democratic forces and create a progovernment party based on the Ukrainian Republican Party, the Democratic Party of Ukraine, and certain people from Rukh. However, the old party nomenklatura which actively supported only one candidate out of six in the presidential elections will not forfeit their rightful place in power voluntarily and, skillfully integrating into their ranks people delegated by democratic forces, will shift responsibility for the difficult situation in the Ukrainian state onto democrats.

In the organizational plane, Rukh, which was and remains the initiator of coordinating actions of democratic forces in the center and in oblasts, sees the possibility of helping to create a coordinating center of joint actions of various democratic forces and public and political organizations. This was indicated by the coordination council on 31 July with the participation of plenipotentiary representatives of 22 political parties and public organizations which concluded the agreement on unification [word indistinct] and coordination of actions for early Supreme Council elections in 1993, for holding the all-Ukrainian referendum on suspending Supreme Council powers, for forcing the cabinet to resign, and for creating a coalition government of people's confidence. The fact that principles for creating this congress by congress initiators have been rejected by the majority of democratic parties and organizations indicates that without Rukh and other influential organizations, such a congress will only be [words indistinct] propagandist cover of the forced unification of the two parties whose ranks have depleted due to the policy of their leadership.

Considering division of democratic organizations and confrontation between them to be a crime against Ukraine under conditions of danger of death for the Ukrainian state, Rukh will try to involve the new association in coordinating actions in those directions where its positions will be close to those of Rukh. Those Rukh members who will become members of the Congress on conditions unacceptable to Rukh—thus, violating the

Rukh statute and resolutions of Rukh's central leadership and those of the Small Council—will be placing themselves outside Rukh's ranks.

This is the resolution the Small Council just passed. I would only like to add in conclusion that, regardless of all those statements and all those attempts to create some alternative organizations, Rukh was, is, and will be the most powerful public and political organization which stands on guard for the Ukrainian people's interests. Thank you for your attention.

'Democratic Forces' Urge CIS Withdrawal

OW0308145192 Moscow INTERFAX in English
1335 GMT 03 Aug 92

[Transmitted via KYODO]

[Text] The Congress of the Ukrainian National Democratic Forces held in Kiev last Sunday [2 Aug] urged that Ukraine quit the CIS. Kharkov-Novosti news agency reports.

The congress was convened on the initiative of Ukraine's Republican and Democratic parties and its final communique demands that the Ukrainian parliament be disbanded and general elections be held on a multi-party basis. The organizers of the congress intend to have their plans carried out by political means, respecting the rights of the citizens of all ethnic and social groups.

The national democrats believe that presidential authority should be strengthened.

Ukraine's most popular political movement, RUKH [no further expansion provided], did not take part in the congress. One of its leaders, Vyacheslav Chernovil, explained the refusal by the fact that RUKH opposed support for the presidential structures and campaigned against the creation of the so-called "party of power", believing that a powerful opposition coalition of national democrats should be shaped.

Byelarus

Acting Premier on Settling Problems With Russia

OW3107185192 Moscow INTERFAX in English
1715 GMT 31 Jul 92

[Report by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin from "Presidential Bulletin"; transmitted via KYODO]

[Text] The first deputy chairman of the Council of Ministers, Mikhail Myasnikov qualified the bilateral Byelarusian-Russian agreements signed on July 30 in Moscow as an unprecedented event in the history of the Byelarusian state. Addressing a press conference in Minsk on July 30, he, in particular, underlined that one of the most significant achievements is the fact that the Russian side took the obligations on payment of the Byelarusian share in the foreign debt of the former USSR. "Byelarus will settle accounts with Russia later", the first vice premier promised.

IF [INTERFAX] Note: Byelarusian share constitutes 4.13% of the whole debt of the former USSR.

Myasnikov also believes that Russia's readiness to take a part of expenditures on establishing the state border between Byelarus and the Baltic states is of great importance.

But according to the chairman of the Byelarusian State Customs Committee Gennadiy Shkurd who attended the press conference, Latvia and Lithuania bordering Byelarus permanently avoid solving of concrete issues in respect to the organization of frontier regime, demarcation of the borders. Very often representatives of appropriate services of these two Baltic states do not attend meetings specially organized for this purpose "we were forced to develop draft agreements necessary for establishing frontier regime and to send them to Latvia and Lithuania through the Foreign Ministry", Shkurd declared.

Besides the parties reached an agreement on July 20 in Moscow that Russia will allocate a credit totalling 7.1 billion rubles from its state budget for liquidation of the Chernobyl disaster. According to Myasnikov, Byelarus will receive 5.5 million tons [tonnes] of oil and 1 million ton of black mineral oil every quarter till the end of the year from its Russian partners and this amount will satisfy the requirements of the republic in lubricants.

"We have not managed to solve only three issues in Moscow", Myasnikov declared. The first issue concerns mutual calculations. "Russia's debt for the production delivered from Byelarus constitutes 48 billion rubles and Byelarus' debt to Russia is 41 billion rubles", the first vice premier said. The second problem is connected with the accusation put forward by Russia. Byelarus is accused of 43-billion [ruble] monetary emission which has undermined the position of a ruble. "Russia is right in this issue", Myasnikov recognized. He promised to

solve this issue before August 15. The third issue concerns returning of Byelarusian currency in Vneshekonombank of the former USSR. There are 350 currency rubles on the accounts of the bank, including 172 billion US dollars - the funds of the Byelarusian enterprises and the money for liquidation of the consequences of the Chernobyl disaster. According to Myasnikov, "as a legal successor of the USSR Russia must pay off these 172 billion dollars and Byelarus will clear off its debt".

The first deputy chairman of the Byelarusian Council of Ministers believes that "it will take much time to divide the USSR property abroad, a resolution on this issue is to be adopted on a multilateral but not on a bilateral basis", he considers.

In his exclusive interview with "IF" the Byelarusian Defense Minister Colonel General Pavel Kozlovskiy shared his opinion on the problem of dividing the former USSR property. He believes that the USSR property must be divided simultaneously and in complex, including the Navy, foreign embassies, monetary funds. "Byelarus does not need its own Navy but it needs civil fleet. And the republics can find compromises to solve this problem", Kozlovskiy said. According to Kozlovskiy, "such an approach could take off many contradictions and tension appearing from time to time between the CIS states".

Armed Forces Begin First Military Exercise

LD0308163492 Moscow Mayak Radio Network
in Russian 1400 GMT 3 Aug 92

[Text] The planned exercises of the first experimental mechanized unit of the Byelarusian armed forces have begun, a BELINFORTASS correspondent reports. The unit is based on a tank division of the former Byelarusian Military District in Grodno. In the course of the exercises, the unit's capabilities are to be assessed in order to introduce structural and other changes. It is expected that following the tactical exercises, about 100 military units will be formed in the Republic by the end of the year.

Defense Ministry Arm To Handle Surplus Sales

LD0408075992 Moscow Radio Rossii Network
in Russian 0100 GMT 4 Aug 92

[Text] The Byelarusian Defense Ministry has formed a new commercial arm to stop military equipment and property being squandered or sold off for next to nothing. The organization will handle sales of hardware and property now surplus to requirements, and not for their residual value—in other words, at giveaway rates—but for the best and most profitable price it can get.

In addition to such sales, it intends to rent out vacated premises suitable for industry or food storage. Revenues will go to improving servicemen's housing conditions.

Decision Adopted To Ban Grain Exports*LD3107133892 Moscow Mayak Radio Network
in Russian 1000 GMT 31 Jul 92*

[Text] The Byelarusian Government has adopted a decision to impose an overall ban on movement of grain out of the country. The base price per kilogram will now be more than 10.5 rubles. Moreover, in order to prevent further price increases, Byelarus is to enforce a temporary ban on purchasing grain at exchanges.

Agreement Signed for Kazakhstan To Supply Wheat*OW0208124792 Moscow INTERFAX in English
1205 GMT 2 Aug 92*

[Transmitted via KYODO]

[Text] Under an agreement signed in Minsk on Saturday [1 August] Byelarus will get 2 million tons [tonnes] of wheat from Kazakhstan before the year ends.

The agreement also stipulates that two automobile battalions of Byelarusian armed forces will take part in the harvesting of grain in Kazakhstan's Kustanai Region. Byelarus undertakes to deliver its servicemen to the places of their destination, supply them with fuel and food and arrange campings for them.

One-Third of Grain Crop 'Beyond Doubt' Lost*PM0308091892 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1700 GMT 28 Jul 92*

[Video report by A. Zhuk, S. Gelbach; from the "Novosti" newscast]

[Text] [Zhuk] The sun has not scorched the land in Byelarus as mercilessly as this for 100 years. Crops are dying in the fields. Cereals have not ripened as they used to. And if things do not change in the next few days the potato crop will not be harvested. The reservoirs have dried up. Pastures have been scorched and livestock has virtually nowhere to graze. There have been peat and forest fires. No one in the Republic can remember anything like this in a long time. And it is in these conditions that the harvest is beginning. As in the olden days people are using scythes and sickles. Because each small ear, each tiny grain will be of special value.

[V.N. Lemesh, farmer] We will lose one-third of the harvest, of course, that is beyond doubt. But on the whole things will not turn out badly. If we harvest everything without losses as we should and if there is some rain, then I think that we will ask for credits and buy equipment, and then we will make a profit. [video shows harvesting scenes, interview]

Moldova**Snegur Expresses 'Optimism' for Peace in Dniester***LD0208090992 Moscow ITAR-TASS in English
0727 GMT 2 Aug 92*

[By ITAR-TASS correspondent Georgiy Shelenkov]

[Text] Cairo August 2 TASS—Moldovan leader Mircea Snegur has expressed optimism about finding a common language with the opposition in the republic, stressing there will be no territorial or any other concessions jeopardising the republic's integrity.

In an interview with the Egyptian newspaper AL-AHRAM, Snegur opposed any interference in Moldova's internal affairs.

He said the situation in the break-away Dniester Republic has normalised after Moldova and Russia signed an agreement on deploying joint peace-keeping troops in the republic to disengage the warring factions. The new coalition government is taking urgent measures to "appease the separatists," Snegur said.

Snegur has urged U.N. Secretary-General Butrus Butrus Ghali to send U.N. peace-keeping forces to Moldova.

Appeals to UN for Observer Mission*LD0308202692 Moscow ITAR-TASS World Service
in Russian 1925 GMT 3 Aug 92*

[By ITAR-TASS correspondent Yevgeniy Menkes]

[Text] United Nations, 3 Aug—Moldovan President Mircea Snegur appealed to UN Secretary General Butrus Butrus-Ghali to send a UN observer mission to Moldova to monitor the implementation of the agreement on principles of a peaceful settlement in the Dniester region. The Moldovan leader's letter, addressed to the administrative head of the United Nations and released here today as an official document of the Security Council, says: "On 22 July 1992, Mr. B. Yeltsin, president of the Russian Federation, and I signed an agreement on the principles of peacefully settling the armed conflict in the Dniester region of the Republic of Moldova. This agreement, of which a copy is enclosed, aims to bring about an immediate cease-fire and the political settlement of the conflict in full compliance with the principles of the UN Charter and the CSCE."

"After a cease-fire comes into effect and the sides involved in the conflict have disengaged, the mechanism drawn up by decision of the foreign ministers of the Republic of Moldova, Romania, the Russian Federation, and Ukraine will be put into force. This envisages stationing military observers and organizing a mission to monitor observance of human rights and a mission of goodwill and mediation. The leaders of the Republic of Moldova consider it to be extremely important to notify you of the measures taken, which we are convinced will

facilitate a peaceful settlement of the conflict in accordance with the norms of international law."

"Regrettably, however, our attempts to settle the crisis by political methods are being blocked by destructive forces that are continuing seriously to infringe on the cease-fire agreement, which is leading to human casualties, chiefly in the town of Bendery (Tighina), the president of Moldova goes on to point out. This is causing us serious concern and compels us to have doubts about the opposite side's sincere commitment to a peaceful settlement of the conflict. I would therefore be grateful if you would examine the possibility of sending to the Republic of Moldova a UN observer mission tasked with observing the fulfillment of the provisions of the agreement, and also with observing the process of restoring peace in the eastern region of Moldova," the letter states in conclusion.

Peace Monitoring Commission Meets in Bendery

OW0208162292 Moscow INTERFAX in English
1540 GMT 2 Aug 92

[Transmitted via KYODO]

[Text] The peace monitoring commission for settling the Dniester conflict has met again in the city of Bendery, with the disengagement of the warring sides outside the town of Dubossary and the village of Cocieri being the main issue on the agenda.

The Dniester republic's news agency, OLIVIA-PRESS, reports that the commission has also discussed the situation in Bendery itself. By now, Dniestrian and Moldovan units have been withdrawn from the city. Instead, a paratrooper regiment of the Russian peacekeeping force was deployed there and commission members said this helped enforce law and order in Bendery.

Agreement was reached on setting up a mixed team of investigators under the city military command, with Dniester and Moldova sending 50 representatives each. The team is expected to investigate crimes perpetrated in the city since the outbreak of the conflict.

Troop Withdrawal From Cocieri, Cosnita Begins

AU0308210092 Bucharest Radio Romania Network
in Romanian 1700 GMT 3 Aug 92

[Report by Gabriel Ionescu from Chisinau]

[Text] The process of disengagement of the parties to the conflict began today in the Cocieri and Cosnita areas. Positions left behind by those withdrawing units are to be occupied by the peacekeeping military units, which is composed of volunteers representing the Republic of Moldova, the Russian Federation, and the Dniester zone.

According to the withdrawal plan drawn up by the Unified Control Commission, the defenders of Moldova's integrity boarded buses in a well organized fashion

before being transported to their places of permanent deployment. Sources in Cosnita said that only the group organizing the evacuation of the troops remained in that locality. Thus, all trenches were left empty.

Cement blocks and barriers blocking traffic on the main road that leads from the village of Cosnita to Grigoriopol and Dubossary have been eliminated.

The Unified Control Commission continued its activity in Tighina [Bendery]. One of its latest decisions stipulates that units of the 14th CIS Army, which were deployed only temporarily to Tighina in order to maintain order there, should withdraw to their barracks. I would like to mention that Article 4 of the Moscow convention stipulates that units of the 14th Army of the Russian Federation, deployed in the Republic of Moldova, will strictly observe neutrality.

Situation in Bendery 'Stabilizing'

AU0408103092 Kiev Radio Ukraine World Service
in Ukrainian 1000 GMT 4 Aug 92

[Text] According to Moldovan information agencies, the situation in the Dniester town of Bendery is stabilizing. With the permission of Moldovan President Mircea Snegur, Russian peacekeeping troops have entered the town.

The town of Bendery was the main center of resistance for the part of Moldovan population that opposes this republic's joining neighboring Romania.

Snegur Receives U.S. Envoy Pendleton

LD0108093692 Chisinau Radio Chisinau Network
in Russian 1800 GMT 31 Jul 92

[Text] In the first half of today, Moldovan President Mircea Snegur received Ms. Mary Pendleton, charge d'affaires of the United States to the Republic of Moldova.

The president handed over to the U.S. diplomat a message to President George Bush that analyzed in detail the sociopolitical situation in the republic and also (?the state) of Moldovan-U.S. relations.

Mircea Snegur noted that the practical implementation of the Moldovan-Russian agreement for a peaceful settlement of the conflict was already beginning and that the people had a correct understanding of the demands of the leadership and of their concrete actions in that direction.

The president said that in order to receive guarantees that (?the conflict did not reoccur), he sent a letter today to the UN secretary general requesting that observers be dispatched to the conflict zone.

Mary Pendleton said she was satisfied with (?the actions) of the law enforcement bodies for resolving the protest by several groups of citizens that took place at the end of last week. In her opinion, violations of human rights

(?are becoming less frequent) and this bears witness to the fact that the development of the democratic process is beginning in the republic. She wished success to the president of Moldova in restoring (?democratic forces in the republic.)

Foreign Minister Nicolae Tiu was present at the meeting.

Parliament Appoints More Ministers

AU3007134492 Bucharest ROMPRES in English
1247 GMT 30 Jul 92

[All names as received]

[Text] Bucharest, ROMPRES, 30/7/1992—The parliament of the Republic of Moldova continued Wednesday, 29 July, its debates on the formation of the new government. Among the nominations are Nicolae Mancas for the office of Minister of Science and Education, and Ion Casian as Minister of Information Science, Information, and Telecommunications. MOLDOVA-PRES agency also notes that the deputies approved of other nine members of the government team which includes Mihail Severovan as Minister of Communal Administration and Housing Construction, Dumitru Nidelcu, Minister of Labor and Social Protection, and Petru Sandulachi, Minister of Youth, Sports, and Tourism.

Prime Minister on Lack of Full Cabinet

LD3007224692 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1700 GMT 30 Jul 92

[Video report by M. Sokirke; from the "Novosti" news-cast]

[Text] The Moldovan parliament, which continued its work on 30 July, was unable to form a new coalition Cabinet of Ministers. The places designated for Dniester representatives remain vacant.

[Sokirke] Today the deputies were deciding paramount issues such as depriving parliamentarians who have left the republic of their mandates and the election of a leading committee for the Moldovan group of the inter-parliamentary European Union. Journalists and experts were mainly waiting for the conclusion of the formation of the first coalition government with interest. However, they were to be disappointed. As yet the government has not been finally formed. What is the reason for this?

[Moldovan Prime Minister A.N. Sangeli] The Republic's government is already formed in principle, because 17 out of 20 ministers have been confirmed in parliament. Among these 17 are practically all nationalities living on the republic's territory. We proclaimed the principle and we proposed to the Dniester leaders that they appoint three of their representatives as ministers of industry, finance, and transport in the government so we can go to parliament with this proposal. Unfortunately, apart from a rejection—and silence is also a rejection—these people have not been named. We have been forced to leave these ministries without leaders. Ministers will fulfill these functions temporarily, but we are still waiting for the Dniester proposals.

Constitution Commission Session Held in Chisinau

OW3107164892 Moscow INTERFAX in English
1614 GMT 31 Jul 92

[Transmitted via KYODO]

[Text] Friday [31 July] at the regular session of the Constitution Commission being held in Chisinau under the chairmanship of President Mircea Snegur, the unfinished draft of fundamental law was debated. Participants considered it essential to eliminate a preamble to the constitution which included a declaration of independence passed last year by Parliament.

Many changes were made and several fundamental provisions of the draft were discussed paragraph by paragraph. The unfinished version of the constitution states that "Moldova is an independent, sovereign, unified, and indivisible country." Participants in the session proposed the formation of a professional parliament consisting of 100 people which would meet twice a year in sessions lasting no less than 4 months.

The establishment of a constitutional court was also taken into consideration. According to the draft on fundamental law, the Republic of Moldova intends a neutral government and is abiding by all international doctrines to which it has subscribed.

The status of the republic's specific form of government of the republic became a stumbling block during the discussion of the Constitution draft. Some members of the commission spoke out against a document in the draft stipulating a presidential form of leadership.

The final decision on this and other controversial proposals will not be made until the fall session of the republic's Parliament.

Kazakhstan

Privatization of Large Manufacturers Begins

OW0308224792 Moscow INTERFAX in English
1806 GMT 3 Aug 92

[From the 4 August "Business Report"; transmitted via KYODO]

[Text] Kazakhstan announced it is beginning to privatize its largest manufacturing enterprises, including mining and non-ferrous metallurgy centers which account for a major portion of the republic's exports. The Kazakh government developed a privatization program which proposes the creation of regional programs (considering the specifics and the attraction of foreign capital).

The Deputy Chairman of the State Committee on Government Property of Kazakhstan, Mikhail Timkin, said in an interview with "IF" [INTERFAX] that large enterprises like the Alma-Ata cotton and paper mill (Alma-Ata is the capital of the republic) and the Ust-Kamenogorsk lead and zinc center (in north Kazakhstan) have already been privatized; each of the centers is worth several billion rubles.

Timkin said the privatization program will be modeled after the non-ferrous metallurgy "giant" of the former Soviet Union, the "Dzhezkazgantsvetmet" scientific manufacturing center. This enterprise is worth 1.7 billion rubles. By the end of this year the complex will be transformed into a public stock company whose shareholders will be the center's 30 thousand employees, pensioners, affiliated firms, and foreign investors. 31% of the shares will be held by Goskomimushchestvo, 19% will be held in reserve, and the rest will be sold or transferred.

2426 firms had been privatized in Kazakhstan as of August 1, 1992. 1850 of them were communal property, 272 republic property. The firms (mainly small shops, studios, autocenters) are worth an estimated 8.2 bn [billion] rubles, their redemption price was 3.8 bn rubles. 1498 enterprises were turned into collective ownership (cooperative) firms, 72 were leased, 541 were transferred to individual businessmen, 107 joint stock companies were formed, and 203 were turned into legal entities.

Communist Party Condemns Registration Delay

LD0308180992 Moscow ITAR-TASS World Service
in Russian 1142 GMT 3 Aug 92

[By KAZTAG correspondent Ivan Zakharchenko for TASS]

[Text] Alma-Ata, 3 Aug—The open letter of the Kazakhstan Communist Party Central Committee to President Nursultan Nazarbayev and Zharmakhan Tuyakbayev, the republican procurator general, contains sharp condemnation of the red tape in registering the Communist Party of Kazakhstan. Recent events, reads the letter,

show that not long ago there was incomparably more legality and justice than now. The fact that a number of sociopolitical associations have been refused registration in the republic is cited in confirmation. Contrary to legal norms, the regulations of the law "On Public Associations" and the decision of the republican Supreme Court, says the letter, the Communist Party is also not being registered under far-fetched pretexts and the dignity and the deep ideological conviction of the communists is being openly humiliated. [Alma-Ata Radio in Russian at 1400 GMT on 3 August in a similar report adds: "In conclusion the letter says: Fulfilling the will of tens of thousands of communists in Kazakhstan, on behalf of party veterans who are alive and those who are dead, we urgently demand the fulfillment of the decisions of the republic's Supreme Court. We are convinced of the triumph of legality and the law."]

Tajikistan

Official Rejects Russian Statement on Clash

LD0208163592 Moscow ITAR-TASS World Service
in Russian 1414 GMT 2 Aug 92

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 2 Aug—Shodmon Yusup [name as received], chairman of the Committee for National Salvation and leader of the Tajik democrats, accused the Russian troops billeted on the territory of Tajikistan of outright interference in the internal political conflict in the republic. He demanded the immediate withdrawal from Tajik territory of "the foreign military contingent."

He stated this at a news conference for local and Russian journalists today. He stressed that the democratic forces of Tajikistan have convincing proof of the participation by subunits of the Russian motorized rifle division in the armed clash between the two conflicting groups which took place in a settlement in Bokhtar Rayon in Kurgan-Tyube Oblast on 27 July. He said that the allegation by General Ashurov, commander of the division, that Russian soldiers were in the conflict zone in the capacity of a disengagement force and did not fire a single shot was a lie. Without giving concrete proof, Yusup stated that it was the military who increased the number of casualties among the peaceful inhabitants. The Committee for National Salvation sent a protest to the leadership of Tajikistan and the Government of Russia, demanding that the Russian contingent be withdrawn immediately from the territory of the republic and that criminal proceedings be instigated against those guilty of murdering peaceful inhabitants.

Responding to a question from an ITAR-TASS correspondent as to whether this means that the Committee for National Salvation is protesting against the agreement recently initialled in Dushanbe between Russia and Tajikistan on the status of Russian troops during the transitional period, Yusup replied in the affirmative. He stressed that sovereign Tajikistan has at its disposal

every possibility for setting up its own army. With reference to the Khorog peace agreement signed on 28 July between the leaders of the republic, political parties, the clergy, and commanders of the armed formations, which proposes disarming all the groups by 3 August, the leader of the Tajik democrats expressed doubt that it will be carried out while President Rakhmon Nabiyev is in power. According to him, the head of state is "a destabilizing figure" incapable of ensuring national harmony and peace in Tajikistan. The Committee for National Salvation demands yet again that President Rakhmon Nabiyev resign.

It was stated at the news conference that the democratic forces of Tajikistan favor the immediate establishment of a State Council or parliament, which in their opinion, would be able to ensure stability and national harmony in Tajikistan and avert a fratricidal war.

Kurgan-Tyube Oblast Remains Tense

LD0208223492 Moscow Radio Rossii Network in Russian 2000 GMT 2 Aug 92

[Text] The situation in Kurgan-Tyube Oblast, Tajikistan, remains tense, ANI reports. Fierce exchanges of fire have been recorded here. According to the republican Ministry of Internal Affairs, there are 15,000 firearms in the possession of the oblast's population. The deadline set in the truce agreement for the population to voluntarily hand in weapons expires today.

Further on Implementation of Khorog Accord

Force To Be Authorized

LD0308133692 Moscow Radio Rossii Network in Russian 1200 GMT 3 Aug 92

[Text] The time limit for the voluntary surrender of weapons by armed formations in the south of Tajikistan expires on 3 August. According to reports by the NEGA agency from the press center of the Ministry of Internal Affairs of Tajikistan, only a handful of weapons have been surrendered to date. In this connection, it is not out of the question that, as of 4 August, the law enforcement bodies will begin to use force against those who have not handed in their weapons.

Nabiyev Issues Decree

LD0408090692 Moscow ITAR-TASS World Service in Russian 0514 GMT 4 Aug 92

[Text] Dushanbe, 4 August TIA [TAJIKISTAN INFORMATION AGENCY] "Khovar"—TASS correspondent [dateline as received]—Tajikistan President Rakhman Nabiyev has signed a decree on disbanding illegal armed formations. Under it, the executive committees of the soviets of people's deputies of all levels, who created all sorts of self-defense headquarters and detachments not provided for by law, are instructed to take all measures to surrender their weapons.

The president took this step because the process of surrendering weapons required by the agreement on a truce and the disarmament of all opposing sides that came into force on 28 July is proceeding slowly.

Afghan Camps Said Training Tajik Guerillas

PM0408094592 Moscow IZVESTIYA in Russian 31 Jul 92 Morning Edition p 2

[Aleksandr Karpov report: "Dangerous Crossroads on Tajik-Afghan Border"]

[Text] Dushanbe—The difficult political situation in Tajikistan is being made worse by violations of the border with neighboring Afghanistan, which have become more frequent in the last two months.

The main object of crossing over there and back is to deliver arms and munitions, subversive literature, and drugs to Tajikistan. Forty-four people have been arrested by border guards while attempting to penetrate Afghan territory. Another 66 have been caught with contraband as they returned home. [Moscow INTERFAX in English at 1617 GMT on 31 July in a similar report adds: 8 brigades of armed Afghan violators totalling 36 people in all were detained last week in a section of the Pyandzh frontier on the Tajikistan-Afghanistan border, the Russian Army Frontier Guard press service reported. The violators put up armed resistance to the frontier guards. More than 20 fire arms units and a large quantity of grenades and ammunition were confiscated."]

The fact that the violators of the border have repeatedly been supported in their attempts to return to Tajikistan by covering fire from armed groups on the Afghan side is alarming. As members of the Central Asian Border District operational group of troops have reported, training camps for gunmen, who are known there as "mujahedin brothers from Tajikistan," have been set up over in Afghanistan's Konduz Province.

Turkmenistan

Foreign Minister Resigns Over Policy Disagreement

LD0408024392 Moscow Radio Rossii Network in Russian 0000 GMT 4 Aug 92

[Text] Turkmenistan Foreign Minister Avdy Kuliyeve has resigned, ANI reports. The reason for his resignation is disagreement with certain aspects of President Saparmurad Niyazov's foreign policy.

Turkey To Train Law Enforcement Personnel

PM3007134792 Moscow IZVESTIYA in Russian 28 Jul 92 Morning Edition p 2

[Vladimir Kuleshov report: "Turkmen Militia Personnel Will Be Trained in Turkish Police Academy"]

[Text] Ashgabat—An agreement has been reached at the level of the ministers of internal affairs of Turkmenistan and the Turkish Republic to train personnel for Turkmenia's law enforcement organs at a police academy base in Turkey.

The first group, made up of 10 students from the Ashgabat Militia High School, will soon leave for their

training in Ankara. The school's teachers will also subsequently undergo training there. At a meeting between I. Sezgin, Turkish minister of internal affairs; President of Turkmenistan S. Niyazov; and S. Charyyrov, republic minister of internal affairs; it was decided to pool the efforts of the two departments in the fight against terrorism and the spread of drugs. The extensive experience accumulated by the Turkish police in this respect can be used to good effect in Turkmenistan, the Turkish minister of internal affairs stressed.

Armenia

Delegation Issues Statement on Rome Talks

NC0308205292 Yerevan Armenia's Radio First
Program Network in Armenian 1730 GMT 3 Aug 92

[Statement issued by Armenian delegation to the Rome Talks; in Rome on 1 August; first three paragraphs are introduction]

[Text] As you already know from our broadcasts, the fourth round of preparatory talks resumed in Rome on 1 August in preparation for a CSCE-sponsored conference in Minsk to resolve the Nagorno-Karabakh issue.

At the full session in Rome, the United States, Italy, Russia, and Germany issued separate statements condemning the continuation of the Azerbaijani military operations in the northern parts of Nagorno-Karabakh, the occupation of Mardakert [Agdere], and the use of military aircraft against peaceful citizens.

On the same day, the Armenian delegation came forward with the following statement addressed to the participant countries:

Armenia's delegation to the preparatory extraordinary session of the CSCE's Minsk Group resolutely condemns Azerbaijan's aggression against the Nagorno-Karabakh Republic [NKR]. The delegation believes that the military occupation of Shaumyanovskiy and Mardakertskiy Rayons by Azerbaijani forces may seriously undermine the peace process. It is unacceptable for Azerbaijan to use these preparatory talks to attempt to implement a fait accompli through military means. The recent use of the Azerbaijani Air Force demonstrates a serious aggravation of the conflict, something that must be condemned. The continuation of such a policy renders the convening of the Minsk conference impossible and endangers the possibility of resolving the conflict through talks between Azerbaijan and NKR.

The Armenian delegation expresses satisfaction at the fact that most of the participants in the Minsk Group condemned the intensification of the armed conflict in the north of Nagorno-Karabakh and the occupation of the cities in that region.

This resolute reaction on the part of the majority of participant countries involved in the Minsk conference is tantamount to a strict warning to Azerbaijani authorities. Moreover, it signifies the rejection of Azerbaijan's policy of force.

Armenia regrets that Turkey has again assumed a tendentious and self-defeating stance in connection with these events. According to information at our disposal, Turkey intends to send Turkish military advisers to the Azerbaijani forces. This action would signify Turkish interference in the Nagorno-Karabakh conflict.

The Armenian delegation disapproves of the differences that have emerged within the Minsk Group as a result of

Turkey's consistent defense of Azerbaijan's position. Considering the stance adopted by the majority of states regarding the Azerbaijani military operations in the north of Nagorno-Karabakh and the occupation of cities in this region, the Armenian delegation believes that there is no impediment to the continuation of the Rome Talks.

The Armenian delegation remains convinced that any settlement of the Nagorno-Karabakh problem must be founded on a dialogue between the authorities of Azerbaijan and Nagorno-Karabakh. The Minsk conference could prove to be the very structure within which such a dialogue could start.

Armenia also believes that the participation of Nagorno-Karabakh officials in the deliberations of the Minsk conference is essential. It is obvious that if one of the sides involved is not allowed to participate, the decisions adopted there would be meaningless. Therefore, it is important that everything possible be done to ensure the participation of Nagorno-Karabakh officials in the (?phased) process. Armenia's delegation would like to note that elected Nagorno-Karabakh officials should be given the status of elected representatives of Nagorno-Karabakh and, as such, should be empowered to veto any decision pertaining to Nagorno-Karabakh. The Armenian delegation cannot endorse the principle of the elected representatives of the peoples living in Nagorno-Karabakh. [sentence as heard] If the Azerbaijani minority in Nagorno-Karabakh can participate in the talks as representatives of their community, the participation of other peoples' should be ensured, starting with the Armenians, who are a majority in the region.

Armenia's delegation hopes that the Minsk group will take these observations into consideration and remove this last obstacle on the way to convening the Minsk conference.

'Not Possible To Resolve' Conflict by War

NC3107205792 Yerevan Armenia's Radio First
Program Network in Armenian 1400 GMT 31 Jul 92

[Text] Armenian President Levon Ter-Petrosyan said: It is not possible to resolve the Karabakh conflict by war. All the countries drawn into this conflict must realize this. In a meeting with the residents of Sisian late last night, Ter-Petrosyan stressed that the world has changed and contentious issues can no longer be [words indistinct]. He favored the deployment of peacekeeping troops on Nagorno-Karabakh's borders to ensure the population's security. This is a priority matter, while the status of Nagorno-Karabakh can be discussed later in a calmer situation after peace is (?established).

The president underlined the importance of economic reforms that would enable our people to display [words indistinct]. He noted that an opening to the outside world is necessary to Armenian economic progress. The

president emphasized Zangezur's [southern Armenia] strategic importance and the need to solve the problems facing the region.

The Armenian president left for Megrinskiy Rayon on 31 July [words indistinct]. Armenian Defense Minister Vazgen Sargsyan and Bagrat Asatryan, chairman of the Armenian Supreme Soviet standing commission on health and social affairs, are accompanying the president on his tour.

Update on Nagorno-Karabakh Fighting Provided

NC0308164592 Yerevan Armenia's Radio First Program Network in Armenian 1200 GMT 3 Aug 92

[Text] We just received a report from the NAGORNO-KARABAKH NEWS AGENCY that cites the Nagorno-Karabakh self-defense forces headquarters as saying that Armenian detachments are controlling the villages of Agdaban and Charektar in Mardakertskiy Rayon. These villages were previously liberated from the Azerbaijani armed formations. The most active enemy firing positions were located in these villages.

Operations to silence the Azerbaijani firing positions in Mardakert [Agdere], Matagis and [name indistinct] village have been underway since this morning.

Robert Kocharyan, an Armenian Supreme Soviet people's deputy from Nagorno-Karabakh, told an ARMENPRES correspondent that the armed conflict in Nagorno-Karabakh is becoming more fierce. The Azerbaijani leadership has apparently become a prisoner to its campaign promise that that it would solve the Karabakh problem within three months. Some Azerbaijani leaders even promised to commit suicide if they failed to fulfill their promise. That is why Azerbaijan is deploying fresh forces and military hardware and hiring more mercenaries. All this indicates that the fighting in Nagorno-Karabakh may be on the rise.

We spoke with a number of border regions of Armenia. Zareh Sargsyan, chairman of Krasnoselskiy Rayon soviet executive committee, told us that the only road linking Krasnoselskiy to Artsvashen was cut off again this morning. The road was still closed at 1430, but the sides are talking to resolve the issue. The enemy has not undertaken any military operation since last night, and the situation is relatively calm.

The situation remains tense in Tavushskiy Rayon, but it has been relatively calm since the morning.

According to the information received from the other rayon soviet executive committees, the situation was also calm in Yekheknadzorskiy and Gorisskiy Rayon.

[Yerevan Armenia's Radio First Program Network in Armenian at 1400 GMT on 3 August carries updated situation reports that report: "The situation has sharply aggravated in a number of the republic's border regions in the last two days. The entire border zone of Tavushskiy Rayon was subjected to intense shelling last night

and tonight. Azerbaijani formations used tanks, artillery, and Grad rockets to inflict a good deal of damage on Armenian settlements, including the villages of Aygedzor, Chinari, and Movses. Five residents died and 23 were injured, three of them seriously. The final casualty figures resulting from this unprecedented shelling are being determined. Official sources indicate that Armenian self-defense forces were forced to retaliate."

[Yerevan ARMENPRES International Service in Armenian at 1215 GMT on 3 August, at the end of a garbled item, reported: "According to information provided by the Armenian Defense Ministry's Press Service, the Armenian forces waged fierce battles against superior enemy forces near the villages of Gochaz and [name indistinct] in Lachinskiy Rayon. One of the Armenian detachments came under surprise attack and lost 17 fighters during a fight."]

Latest Developments

NC0308172892 Yerevan Radio Yerevan in Azeri 1330 GMT 3 Aug 92

[Excerpts] Dear listeners: We now report the recent developments in the Nagorno-Karabakh Republic and Armenian's rayons that border Azerbaijan. [passage omitted]

Combat operations are continuing in Nagorno-Karabakh. Armenian self-defense forces are relentlessly attacking military positions in Mardakertskiy Rayon in an effort to evict the enemy. Armenian armed units currently control nearly 80 percent of Mardakertskiy Rayon. Clashes are taking place for Mardakert [Agdere]. The enemy is trying to maintain control of the city, and violent clashes are taking place. There have been dead and wounded on both sides. According to our reports, however, the Azerbaijani side has suffered many casualties. More than 100 Azerbaijanis were killed during clashes near Mardakert on 30 July. (Yevnar), (Madavish), [name indistinct] and Agdaban were liberated from enemy occupation 31 July-1 August. Many enemy troops were killed or wounded in the clashes. Azerbaijan lost eight tanks and four artillery guns that night.

Azerbaijani units attacked (Gyunyatak) again, but Armenian units repulsed their attack and launched a counterattack. The enemy left more than 10 bodies on the battlefield. The Armenian side [words indistinct].

Umudlu was attacked by the Armenian self-defense forces on 31 July. In addition, (Eski Oratag), which had been occupied by Azerbaijani units, was liberated two days ago. The Armenian side also occupied strategically important hills in the area. Dozens of military personnel, including officers, were either killed or wounded.

The situation in Nagorno-Karabakh's Askeranskiy, Martuninskiy, and Gadrutskiy Rayons remains tense. The Azerbaijanis have massed a large number of units and military hardware in these rayons. The fighting in the rayons has mainly been in the form of exchanges of fire

between the positions of the two sides. The Armenian side has been returning the fire opened from the Azerbaijani positions.

As reported earlier, the Azerbaijan National Army is using its air force in its aggression against Nagorno-Karabakh. All the rayon centers in Nagorno-Karabakh, including Stepanakert and many other residential areas, have been attacked by Azerbaijani aircraft. Vital installations, residential buildings, and other establishments have been significantly damaged or partially destroyed as a result of the bombing. Innocent people have been killed or wounded in the air attacks. An Azerbaijani military aircraft tried to bomb Stepanakert on 31 July. The aircraft bombed the [words indistinct] and then disappeared in the direction of Agdam. Damage was caused in the city. We have not received accurate casualty information yet. [passage indistinct]

The situation in the Armenian rayons that border Azerbaijan remains tense as well. Exchanges of fire and clashes are taking place at short intervals. The Armenian side has been compelled to take retaliatory measures to obstruct Azerbaijan's provocative activities.

'No Sharp Changes' in Economic Policy

OW3107165392 Moscow INTERFAX in English
1614 GMT 31 Jul 92

[Transmitted via KYODO]

[Text] There will be no sharp changes in the economic policy of the Armenian government, a 44-year old republican Premier Khosrov Arutyunyan declared in his exclusive interview with "IF" [INTERFAX] following his appointment on July 30.

According to Arutyunyan, the primary tasks of the Armenian Government are connected with the preparation of the national economy for the winter, with the supply of the population with bread, with regulation of cash monetary circulation, and successful conducting of autumn agricultural works.

Arutyunyan said that the republican government understands that Armenia must assure peaceful coexistence with the neighbors, other states, and democratic development of the society. The premier stands for cooperation with the CIS states and with Russia in the first turn: "The structure of our economy is oriented to the Russian market", Arutyunyan emphasized.

Speaking on the Karabakh problem, the premier declared that "the Armenian and the Azeri peoples are sick and tired of this conflict and it must be solved in the framework of the general international norms". "The people of Nagorno-Karabakh has right to decide its own fate and it must receive certain guarantees", Arutyunyan noted. According to Arutyunyan, "We shall not come to a compromise only by recognition of certain rights of the Karabakh people assured by the international legal standards".

("Presidential Bulletin" which will appear on Monday will include a detailed interview of Arutyunyan with "IF".)

Ter-Petrosyan Returns From Visit to Zangezur

LD0108210492 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1700 GMT 1 Aug 92

[From the "Novosti" newscast]

[Text] President Ter-Petrosyan has returned from his trip to the southern regions of Armenia. In a strategic sense, the southern area of Armenia—Zangezur—is the most vulnerable one, since on one side it borders directly onto Azerbaijan and on the other side onto the Nakhichevan Republic, also part of Azerbaijan. There is even a plan to open up a corridor in this area to link the two Azeri regions in exchange for a section in Nagorno-Karabakh and a lifting of the blockade of Armenia. The plan is ridiculously impracticable, but it exists, just like the permanent tension in the region.

By presidential decree, a state of emergency and curfew were enforced last month in three of Zangezur's administrative rayons. These are the extraordinary circumstances which prompted the latest visit to the region by Levon Ter-Petrosyan. Even during his visit, the enemy did not stop firing on the border villages. And a large self-defense detachment was surrounded in the vicinity of the village of (Khochas) as they tried to pass through the Lachinskiy humanitarian corridor from Goriyskiy Rayon in Armenia to Stepanakert. About 20 soldiers died in the unequal battle, and 40 soldiers went missing.

Veterans Appeal Russian Mercenary Involvement

LD0208170892 Moscow Programma Radio Odin
Network in Russian 1500 GMT 2 Aug 92

[Text] Armenian veterans have appealed to the Russian president concerning Russian mercenary participation in the fighting in Nagorno-Karabakh. The appeal speaks of the extensive use of Russian, Ukrainian, Byelarusian, and Chechen mercenaries in the Azerbaijani Army. Citing press reports, the veterans write that the Azerbaijani Army's combat equipment—its tanks, aircraft, armored vehicles and missile launchers—is mainly operated by Russian and Ukrainian officers and soldiers who have become hired killers. A high wage rate has been set for them. The testimonies of prisoners, and numerous documents gathered from those killed on the battlefield, bear witness to this.

The appeal's authors are convinced that the personal intervention of the Russian president in the Azerbaijani-Armenian conflict will help other entanglements in the Karabakh war to be unravelled more quickly.

Azerbaijan

Ministry Confirms Lachin Village Retaken 31 Jul

NC0308123692 Baku TURAN in English
1236 GMT 1 Aug 92

[Text] Baku, 01/08/92, TURAN: Four Azerbaijani soldiers have been wounded in the Armenian shelling of the village of Sur in the region of Dzhebrail'skiy east-west of Karabakh.

Last night Armenian expeditionary corps had attacked the village of Agdaban in the region of Kelbadzharskiy west Karabakh, but were pushed away by the Azerbaijani self-defence forces.

Fightings went on in the regions of Agdam'skiy, Agdere [Mardakert] and Tavuz'skiy.

The defence minister of Azerbaijan reports Azerbaijani Army has retaken the village of Gochaz in the region of Lachinskiy captured by Armenians in May.

Defense Ministry on Situation in Mardakert

OW0308144592 Moscow INTERFAX in English
1335 GMT 03 Aug 92

[Transmitted via KYODO]

[Text] Azerbaijan's Defence Ministry reports that "there have been no changes in the war theater in Karabakh's Mardakert [Agdere] region". The regional center of Mardakert and about a dozen villages of this region are still under the Azeri forces' control.

The Karabakh News Agency reports, however, that the Armenian formations continue to control the villages of Agdaban and Charektar, liberated earlier.

Both sides report that local villages come under fire. According to the Azeri Defence Ministry, last night Armenians shelled Azerbaijan's regional centers of Fizuli and Dzhebrail, as well as the village of Sadarak in the Nakhichevan Autonomous Republic. At least three people were killed and 4 were wounded.

The Karabakh News Agency also reports that 5 people were killed and 23 were wounded during the shelling by Azeris of Karabakh's regional center of Gadрут.

Defense Ministry Denies Villages Seized

LD0308163692 Moscow ITAR-TASS in English
1626 GMT 3 Aug 92

[Text] Baku August 3 TASS—The Azerbaijani Defence Ministry denied reports on Monday [1 August] that Armenian guerrillas had seized key strategic villages of Agdaban and Cherektar. The ministry said the villages remained under control of Azerbaijani Armed Forces.

Defense Ministry Makes 'Disclosure'

NC0308190892 Baku Radio Baku Network
in Azeri 1700 GMT 3 Aug 92

[Text] The Azerbaijani Defense Ministry's Analytical Information Center has made the following disclosure:

Clashes are continuing in Agdere [Mardakert] Rayon. The fighting [words indistinct]. A tank, an infantry combat vehicle, an artillery unit, and a number of enemy military personnel were destroyed in the clashes. Nine Azerbaijani fighters were martyred and 12 others were wounded. The Azerbaijani Armed Forces still control Agdere.

Sur was shelled from [name indistinct] in Fizulin Rayon and from the former Gadрут Rayon area with artillery last night. Our fighters returned fire, hitting and disabling an enemy combat vehicle and an artillery gun.

The situation in Azerbaijan's border areas remained tense last night. Agdam and [name indistinct] in Tauz Rayon were hit with Grad rocket-, artillery-, and tank fire from Armenia's Shamshadin Rayon. More than 20 shells fell on the rayon. Two fighters were killed, 11 were wounded, and 32 homes were destroyed in the towns. Kokhne Kyshlakh in Akstafa Rayon and Ivanovka in Kedabek Rayon were fired on from Armenia with various types of arms last night.

The Armenians claimed (?on 2 August that) Agdaban and Shereftar in Kelbadzhari Rayon, which are strategically important towns, were [words indistinct] and occupied by the Armenian expeditionary corps units. In fact, Azerbaijani units control the two towns.

(Dermechatak) in Babeski Rayon in the Nakhichevan Autonomous Republic was fired on from Armenia on 2 August. Sadarak also was fired on that same day. A resident was killed and four others were wounded in (Dermechatak).

The situation in Agdam, Zangelan, Kubatlin, and Kelbadzhari Rayons was relatively peaceful last night.

Georgia

Curfew in Tbilisi Extended Another Month

OW0108151592 Moscow INTERFAX in English
1446 GMT 1 Aug 92

[Transmitted via KYODO]

[Text] The curfew in Tbilisi due to be ended on August 1 will be protracted for a month, the commandant of the city colonel David Zeikidze told "IF" [INTERFAX]. According to Zeikidze, this will be done due to tense criminal-related situation in the city. The curfew was introduced in Tbilisi early January after president Zviad Gamsakhurdia left the country and the opposition took the power.

Council Lifts State of Emergency*OW0408101792 Moscow INTERFAX in English
0930 GMT 4 Aug 92*

[Transmitted via KYODO]

[Text] According to reliable sources, at a closed session on Monday [3 August] the Georgian State Council decided to lift the state of emergency and curfew in Tbilisi as of Tuesday and drop charges against all persons arrested after January 6 for actions against the authorities.

On January 5 President Gamsakhurdia besieged in the Government House by the opposition fled from Tbilisi.

According to the same sources, the decision affects the supporters of Gamsakhurdia who attempted a coup of June 24 and captured the TV and radio center and TV tower in Tbilisi as well as the head of the disobedience committee of Zugdidi, a close associate of the former president Valter Shurgaya.

The State Council also decided to ban all political parties that intend to keep their military wings. All armed groups should join the Armed Forces or Interior Ministry troops and return to their barracks.

Shevardnadze Hails Republic's Entry Into UN*LD0108040492 Moscow Radio Rossii Network
in Russian 0300 GMT 1 Aug 92*

[Text] Eduard Shevardnadze, chairman of the Georgian State Council, has described Georgia's admission into the United Nations as the greatest event in Georgian history. In an interview on national TV, he expressed his hope that it will greatly help to stabilize the situation in the Republic, the NEGA agency reports.

Shevardnadze 'Skill' 'Only Source of Hope'*PM0308132392 Moscow IZVESTIYA in Russian
30 Jul 92 Morning Edition p 2*

[Report by Mikhail Dzhindzhikhashvili: "Shevardnadze Not Planning To Resign"]

[Text] Following the events in one of the rayon centers of Mingrelia—Tsalendzhikha—which Eduard Amvrosiyewich was forced to leave around 20 minutes after arriving, the question of his resignation has suddenly started to circulate. All the more so because he made a statement at the Supreme Council session in Tbilisi that if the Supreme Council chooses to speak the language of weapons to its opponents—in other words, taking the path of diktat—this would mean that the country was not ready to accept democracy, and he is not suited to the role of dictator.

Shevardnadze stressed that the trip to Mingrelia was needed to halt Georgia's slide into a catastrophic civil war.

The difficulties of the current period in Georgia are primarily that the Supreme Council—and this is even recognized by its chairman—does not represent legitimate authority. This is being exploited by its opponents. And

not just in Mingrelia. Vladislav Ardzinba, speaker of the Abkhaz parliament—who initiated the adoption at a session of the autonomous republic's Supreme Council of a decision suspending the 1978 Abkhaz ASSR [Autonomous Soviet Socialist Republic] Constitution and restoring the 1925 Abkhaz SSR [Soviet Socialist Republic] Basic Law—is trying to play on this too.

The situation in Georgia is now at boiling point. The only source of hope is Shevardnadze's skill in solving the most difficult problems—and it seems as though he will be able to find a solution this time too. We can only welcome his decision to withdraw National Guard and "Mkhedrioni" units from Mingrelia and to react unhysterically and from a rule-of-law standpoint to the Abkhaz parliament's resolution on changing the constitution.

Parties Urge End to Movement of Armed Units*OW0208122292 Moscow INTERFAX in English
1205 GMT 2 Aug 92*

[Transmitted via KYODO]

[Text] In Georgia 14 political parties have called for banning the movements of all armed people, with the exception of policemen, locally, and for confining all armed units to the places of their permanent deployment at once. These parties include the Charter-91 party, the Greens and the Conservative Monarchists. In their statement published in Tbilisi on Sunday [2 August] they also urged Georgia's State Council to form within its framework National Security Council to monitor all armed units.

The uncontrolled activity of the various paramilitary groupings, sallies by the supporters of the ex-president Zviad Gamsakhurdia, delays in the process of forming national army will jeopardize parliamentary elections in Georgia to be held on October 11, the statement said.

The leaders of the 14 parties have warned that they'll suspend their representation in the State Council, unless their demands are met before August 10.

'Mixed Armed Forces' Movements Detailed*LD0408100292 Moscow Mayak Radio Network
in Russian 0800 GMT 4 Aug 92*

[Text] Information is coming in from the Tskhinvali area, where the mixed armed forces of Russia, Georgia, and Ossetia are carrying out their peace-making mission, about the stabilization of the situation.

Subunits of combat engineers are continuing to make safe major sections of roads and approaches to populated areas.

A large column of motor vehicles carrying foodstuffs, medicines, and essential goods has arrived in Tskhinvali from Vladikavkaz using the Transcaucasus road.

Specialists, medical workers, and law enforcement staff also have arrived. They will give practical assistance to the leadership of South Ossetia in getting life back to normal.

Estonia

Resolution Adopted on Russian Troop Movements

OW0308192692 Moscow BALTFAX in English
1805 GMT 3 Aug 92

[Transmitted via KYODO]

[Text] On August 3 the Estonian government adopted a resolution according to which any movement of Russian military equipment and troops stationed in Estonia across this country can be effected only after coordinating it either with the Estonian Defense Ministry, or with city or district state defense departments. The Russian side should file a request to deliver its military ships and aircraft to Estonia by diplomatic channels 14 days before an estimated time of their arrival. Soldiers can leave their units only in groups of 10 people accompanied by an officer. Patrol service is absolutely banned.

The second resolution adopted on the same day regulates the procedures for crossing the Estonian border for military servicemen. Under the resolution, military servicemen do not need to receive visas. However, they should have a written permission from the Estonian Defense Ministry or city (district) state defense department.

Midshipman Threatens Saaremaa Island Mayor

OW0108150592 Moscow BALTFAX in English
1422 GMT 1 Aug 92

[Transmitted via KYODO]

[Text] The Mayor of Kuressaare, capital of Estonia's Saaremaa island, had the following telegram last Thursday [30 July]: "The commander of the Baltic Fleet warns that if any attempts are made to prevent the removal of property from Montu port it will be defended by armed force. Estonia will be responsible for all negative consequences."

However, according to the Kuressaare department of the Estonian Border Guard Service, Baltic Fleet commander Vladimir Yegorov had nothing to do with the telegram. The telegram was apparently sent by one midshipman serving in Montu port.

The Estonian authorities will be demanding that the midshipman be sent back to Russia, where he has already sent his family.

Border Based on Tartu Treaty Could Change

OW0108144892 Moscow BALTFAX in English
1422 GMT 1 Aug 92

[Transmitted via KYODO]

[Text] In an interview with BF [BALTFAX] Estonian Deputy Foreign Minister Trivimi Velliste said that, if Russia recognizes the Estonian borders established by

the Tartu peace treaty of 1920, Estonia may negotiate changing them. It is his "personal opinion" that, if appropriate formalities are made, Estonia might give up its claim to territories east of Lake Chudskoye and the Narva River, which at present belong to Russia but are proclaimed as parts of Estonia by the Tartu treaty.

According to Article 122 of the Estonian Constitution, the borders established by the Tartu treaty and other international agreements can only be changed with the consent of at least two thirds of members of the State Assembly (parliament).

In Velliste's opinion, Estonian borders are one of the first issues the State Assembly should tackle after it is elected in September.

State Monopolizes Alcohol, Tobacco Production

OW0308184992 Moscow BALTFAX in English
1805 GMT 3 Aug 92

[Transmitted via KYODO]

[Text] By the Estonian government's decree of August 3, the state has introduced its monopoly for production and sales of alcoholic beverages and cigarettes.

In the words of the republic's minister of commerce, Andres Tamm, the government acknowledges that it would not be advisable to establish state control over the sales of spirits and cigarettes as rigid as, for example, in Scandinavian countries.

The companies' activities involving production, wholesale as well as export-import operations with these goods would have to be licensed by the republic's commerce ministry or the ministry of industry and energetics. The importers will only be allowed to bring into the country the products which have been internationally certified for quality or passed laboratory analyses. Retail sales of these products will be licensed by the local administrations.

Mr. Tamm noted, in the meantime, that the government documents do not envisage any price rises for spirits and tobacco, whereas they would ensure regular supply of the excess tax imposed on the above products to the republic's treasury.

Former Official Outlines Popular Front's Goals

OW0208163792 Moscow BALTFAX in English
1537 GMT 2 Aug 92

[Transmitted via KYODO]

[Text] Edgar Savisaar, Estonia's former prime minister who is now a leading member of the "Popular Front" election bloc, has said that his strategic goals are "transition from the paradigm of political idealism to that of political pragmatism and further de-Sovietization of Estonia". He spoke at the congress of the election bloc which opened in Tallinn on Sunday [2 August]. The bloc

comprises the Popular Front of Estonia, the Centrist party, the Estonian Peoples' Union and the Estonian Women's Union. Elections to Estonia's national assembly are scheduled for September 20.

Ants Lihmus [name as received], who leads the Estonian Peoples' Union, has said that the forces forming the election bloc must focus their attention on the ways to resolve the problem of ethnic minorities in Estonia. According to him, the present authorities take no interest in this problem.

Olev Valton, chairman of the board of the Popular Front of Estonia, has said that the Front is a potential "guarantor of political stability in a situation where total political confusion reigns".

Popular Front Official Urges 'Respect' for Russia

*OW0208163892 Moscow BALTFAX in English
1537 GMT 2 Aug 92*

[Transmitted via KYODO]

[Text] According to Rein Taagepera, a leading member of the "Popular Front" election bloc, "Estonian politicians must remember without fail that Russia has always been our great neighbor, and that we should treat it with greater respect than we do now".

Many Estonian politicians, such as those from the election bloc "Isamaa" and from the National Independence party, often behave as if "the earth swallowed Russia up when Estonia acquired independence", R. Taagepera told BF [BALTFAX].

According to R. Taagepera, Estonia's geopolitical position is worse than that of Moldova, "since Dniester does not border on Russia, while Narva does". In the meantime "there is an impression that the leaders of "Isamaa" and National Independence party have not looked at the world map and at our position on it for a long time", he said.

Popular Front Choice Declines Candidacy

*LD0308175592 Tallinn Radio Estonia in English
1520 GMT 3 Aug 92*

[Excerpt] The presidential candidate of the election coalition Popular Front, the professor of the University of California, Rein Taagepera, told [word indistinct] that he is not willing to become the president of the Republic of Estonia. Mr. Taagepera expressed hope that the candidate of the Fatherland election coalition, the ex-foreign minister, Lennart Meri, will be elected the president. His candidacy is supported also by the Popular Front. Lennart Meri is currently the Estonian ambassador to Finland. The candidate of the Popular Front election coalition, Mr. Taagepera, also said that he will end his election campaign against the current Chairman of the Supreme Council Arnold Ruutel. [passage omitted]

IMF Postpones Signing of Joint Memorandum

*OW3107180992 Moscow BALTFAX in English
1727 GMT 31 Jul 92*

[Transmitted via KYODO]

[Text] Representative of the Estonian Economy Ministry Tiit Saat told BF [BALTFAX] that the signing of a joint economic memorandum between the IMF and the Estonian Government will be postponed only for two weeks. He said the document takes into consideration IMF proposals on development of the Estonian economy.

It was announced earlier that Prime Minister Tiit Vahi will sign the memorandum on July 31.

According to Saat, the two sides have agreed in principle on the text of the memorandum and the signing ceremony is delayed because it should be attended by Executive Director of the IMF Michel Camdessus.

He will arrive in Estonia on August 14 on a three-day visit and will meet with Prime Minister Tiit Vahi, Chairman of the Supreme Council Arnold Ruutel, President of the Bank of Estonia Siim Kallas and Finance Minister Rein Miller.

Council Chairman's Office To Be Abolished

*LD3107203192 Tallinn Radio Tallinn Network
in Estonian 1400 GMT 31 Jul 92*

[Text] A resolution of the Supreme Council Presidium was made known to the staff at the office of the Supreme Council chairman: the office is going to be abolished on 1 October. The resolution affects all the office staff starting from state councillors down to the cleaner. According to Arno Allmann, state councillor at the office, the resolution was adopted in accordance with the law on employment contracts, which stipulates that one has to give two month's notice of ending an employment contract. He added that elections for the Riigikogu and for the president have been called, and once the constitutional institutions are set up, the Supreme Council, the chairman of the Supreme Council, and his office will end their work.

Latvia

Northwestern Forces' Printing Plant Seized

*PM3107191392 Moscow KRASNAYA ZVEZDA
in Russian 1 Aug 92 p 1*

["Own Information" report: "The Latvian Defense Ministry Is Very Determined. But What About Civilized?"]

[Text] On the morning of 30 July, Latvian Army servicemen occupied the printing plant and publishing house of the Northwestern Group of Forces newspaper ZA RODINU, which houses the KRASNAYA ZVEZDA office. The Latvian servicemen acted with determination, although they did not produce any documents to account for the

"privatization" of the building. The Russian soldiers guarding the publishing house and printing plant were removed from their posts by the command of the Northwestern Group of Forces. This was for one purpose—to avoid an armed clash.

Conflict Described

LD3107151592

[Editorial Report] Riga Radio Riga Network in Latvian at 1300 GMT on 30 July carries a five-minute report on a conflict between members of the Latvian and Russian Armed Forces at the printing works on Muižas Iela Street on 30 July. The announcer says:

"There was an unpleasant occurrence today. There was a conflict between representatives of Latvian and Russian Armed Forces not far from where the Danish royal yacht was moored. There was quite a tense situation at the former Latvian army printing works on Muižas Iela Street. The Economic Court decided yesterday that the printing works had to be returned to the Republic's Ministry of Defense."

The station then carries an interview on the incident with Dainis Turlais, commander of the Latvian Defense Forces, and an unidentified correspondent. Turlais says:

"There is nothing complicated about the military side. I received an order from the minister yesterday to ensure the security of this site. We accomplished this. In the evening I received information that a group of armed officers had been stationed at the printing works. These armed officers, it turns out, are officers from the printing works itself. It was reported to me by a representative of the leadership of the Northwestern Group of Forces, specifically the deputy commander in chief, that the decision to form an armed guard from the officers of the publishing house had been adopted by the head of the publishing house himself, and that in such a manner he had exceeded his authority."

Turlais goes on to note that the Latvian soldiers had fulfilled their task and that a military guard was stationed at the printing works by 0700. He also notes that no permanent agreement on this issue had been reached and that this problem was not a problem for the Latvian Defense Forces. Turlais finishes the interview with the following comments:

"I am awaiting news from the leadership of the Northwestern Group of Forces that the conflict at the publishing house has been solved and that no kind of unilateral steps or armed undertakings would be carried out. Upon receiving such guarantees we will be able to examine the question of removing the armed guard."

'Unapproved Rally' Protests Soviet Bases

LD0208104192 Riga Radio Riga International in English 1730 GMT 1 Aug 92

[Text] An unapproved rally took place near the premises of the Latvian Council of Ministers in Riga. The rally was organized by the Latvian National Democratic Party [word indistinct] the so-called American way [as heard] in order to

express protest against the delayed removal of the ex-Soviet military strategic bases from the territory of Latvia.

An agreement providing to keep several military bases in Latvia for a longer period was reached between the Latvian Prime Minister Ivars Godmanis and his Russian counterpart Yegor Gaydar during the recent talks in Moscow. The rally participation also demanded that the Russian Army be given status of an occupational army and called for the Latvian Government to leave the building and address the people within 10 minutes otherwise they intend to enter the premises themselves. On this (?the) watchmen of the Council of Ministers answered by locking the front door.

Natural Gas Payments to Russia Delayed

LD0108021592 Riga Radio Riga International in English 2030 GMT 31 Jul 92

[Text] Latvia's (?Gaza) has not paid for the past seven months of natural gas supplies to Russia. With the state-owned enterprise's debt rising every month, relations with the Russian partner have become very tense. Reputedly, future deliveries could be suspended if the debt is not paid off by the end of July. According to (?Adrians Darvisha), director of Latvia's (?Gaza), the company's financial problems are a direct result of other Latvian enterprises' failure to pay Latvia's (?Gaza) for gas supplies. The company's account should hopefully be cleared by next week upon expiration of the payment deadline for local enterprises, he remarked.

Farmers To Be Compensated for Drought Damage

LD0408102592 Moscow Mayak Radio Network in Russian 0800 GMT 4 Aug 92

[Text] The Latvian Government has allocated 1.5 billion rubles in compensation for the damage inflicted on the republic's peasant economy as a result of the drought.

Under a special decision adopted by the Government of Latvia, the credit repayment schedule also has been extended for peasants.

Council of Ministers Chairman Ivars Godmanis said the assumption is that Latvia will be able to meet no more than 40 percent of the demand for grain from its own production.

Estonia

Landsbergis Concerned Over Grachev's Orders

OW0108144992 Moscow BALTFAX in English 1422 GMT 1 Aug 92

[Transmitted via KYODO]

[Text] The chairman of the Lithuanian parliament, Vytautas Landsbergis, expressed concern over Russian Defense Minister Pavel Grachev's orders to Russian servicemen to open fire without warning if they are assaulted.

In an interview with the Lithuanian radio, Landsbergis mentioned his agreement with Russian President Boris Yeltsin according to which Russian servicemen must obey Lithuanian laws on Lithuanian territory.

"If servicemen are given the prerogative to act at their own discretion we may end up with the kind of situation we had in 1990, after we had proclaimed independence," Landsbergis said.

Landsbergis Meets With Russian Commander Mayorov

*OW3107132292 Moscow BALTFAX in English
1259 GMT 31 Jul 92*

[Transmitted via KYODO]

[Text] Thursday evening [30 July] the Chairman of the Lithuanian parliament Vytautas Landsbergis met with the commander of the North-Western group of forces of Russia Colonel General Leonid Mayorov.

After the meeting Landsbergis said that he had reminded to the General about the responsibility of the servicemen for their actions on the Lithuanian territory. According to Landsbergis, the servicemen were told that every day Russian aircraft violate the air space of Lithuania on the average not less than 10 times. Mayorov asked to present information on these violations to him.

Landsbergis said that the Lithuanian party was surprised by General Mayorov's statement that the command sees its prime task in "maintaining high state of readiness of the armed forces".

"Our approach is in permanent readiness for withdrawal of the armies", Landsbergis pointed out. According to Landsbergis, Mayorov reassured that he will contribute to preparation for forces' withdrawal.

Prime Minister Sees Unpopular Measures Ahead

*LD0208061792 Moscow Radio Rossii Network
in Russian 0500 GMT 2 Aug 92*

[Text] Lithuanian Prime Minister Aleksandras Abisala, meeting representatives of the republic's public and political movements, said that the current government is destined to implement some extremely unpopular measures. [Vilnius International in Lithuanian at 2100 GMT on 1 August in a similar report adds: "The meeting was attended by representatives from political parties; workers, pensioners, and nationalist associations; trade union associations; industrialist and economist groups; an invalids association; and other organizations.

"According to Aleksandras Abisala, public organizations and movements should explain the government's policy and the reasons behind unpopular government decisions to the people." ANI reports that as examples, he cited abolishing privileges for pensioners, freezing unemployment benefits, and introducing fees for education and medicine.

Government Arms Purchase From Israel Noted

*OW0408141492 Moscow BALTFAX in English
1318 GMT 4 Aug 92*

[Transmitted via KYODO]

[Text] According to the Lithuania daily "Respublika", Lithuania is buying weapons from Israel. According to this paper, 530 Uzi submachine guns were delivered to Vilnius from Israel by a charter plane at the end of last week.

Supervision over the unloading procedures was exercised by the Lithuanian parliament security service whose representatives pledged to provide information as regards the allocation of the Israeli weapons later in the week.

In the meantime, both the Lithuanian Ministry of Internal Affairs and the republic's Home Guard ministry maintain that they do not possess any information either of the purpose of this arms deal or of the weapons' future use. The "Respublika" also said that the Lithuanian customs had not been notified of the arms haul.

Further on Russian Arms Sales to Lithuania

*LD3107150992 Vilnius Radio Vilnius International
Service in Lithuanian 2100 GMT 29 Jul 92*

[Text] Lithuania has intentions of buying arms from Russia, said Audrius Azubalis, Supreme Council representative for the Press, commenting on a report published by the Moscow newspaper DEN about a decision by the Russian Government to sell Lithuania arms and ammunition for \$52.4 million. In its issue on 27 July, DEN writes that Russia intends to sell Lithuania 2,000 machine guns, 3,500 mortars, and 60,000 sub-machine guns.

According to the press representative, Lithuanian Supreme Council Chairman Vytautas Landsbergis spoke to Russian President Boris Yeltsin in January about Lithuania's wish to purchase arms from Russia. The Russian president agreed to look into this issue. According to Audrius Azubalis, the information published by DEN can be seen as a proposal to Lithuania from the Russian Government.

Both the amount and the prices are high, said the representative. Lithuania reserves the right to accept or reject the proposal, or to negotiate about the price. However, one can only welcome the fact that the agreement made by Vytautas Landsbergis and Boris Yeltsin concerning the purchase of arms from Russia is taking more concrete shape.

Answering a question on whether 60,000 sub-machine guns would not be too many for Lithuania, Azubalis said that neither the amount of arms nor their price had been discussed at the meeting between the Russian and Lithuanian leaders.

It was also mentioned that a hint was made by Polish President Lech Walesa during the official visit by Vytautas Landsbergis that at Lithuania's request, Poland could sell Lithuania tanks and armored vehicles of Polish make.

Official Denies Closing of Medininkai Case

OW3107063792 Moscow BALTFAX in English
0517 GMT 31 Jul 92

[Transmitted via KYODO]

[Text] Lithuania's General Prosecutor Arturas Paulauskas confirmed that the OMON [Special Purpose Militia Unit] units stationed in Riga and Vilnius were involved in the Medininkai incident that resulted in killing seven Lithuanian customs officers and policemen on July 30th, 1991.

Arturas Paulauskas told the Lithuanian TV yesterday that materials collected on this case allowed him to state that OMON was involved in that crime. At present, these materials contain 12 volumes.

A Parliament press spokesman, Audrius Azubalis, referring to Arturas Paulauskas' statement, called the reports by some Western news media on closing of the investigation of the Medininkai incident groundless. The General Prosecutor said that the investigation had been suspended on March 31st, being completed on Lithuania's territory. (BF's [BALTFAX] note :the statement on closing the investigation was published on Tuesday, July 28th).

Lithuania's Prosecutor Office hopes that after the treaty on mutual legal assistance with Russia is signed this July, the investigation will move from a standstill, for persons suspected of having committed the crime are hiding in Russia, Ukraine and Moldova.

Accord Signed With U.S. Seeks War Criminals

OW0308185292 Moscow BALTFAX in English
1805 GMT 3 Aug 92

[Transmitted via KYODO]

[Text] Lithuanian Prosecutor General Arturas Paulauskas and U.S. Ambassador to Lithuania Darryl Johnson signed on behalf of the U.S. Justice Department in Vilnius Monday [3 August] the Memorandum on Cooperation and Persecution [as received] of Military Criminals.

Under the document, the two sides pledge to help each other to find and persecute persons suspected of committing military crimes and crimes against humanity on the Lithuanian territory during the 2nd World War.

The Lithuanian Prosecutor's Office has already concluded similar agreements with corresponding departments of Australia and Scotland.

Danish Queen Margrethe II Arrives for Talks

Calls for Cooperation Development

LD3107205492 Moscow ITAR-TASS in English
2008 GMT 31 Jul 92

[By ITAR-TASS correspondent Kazis Uscila]

[Text] Vilnius July 31 TASS—"This day will remain both in the chronicles and in our memory", said Lithuanian Supreme Soviet Chairman Vytautas Landsbergis describing the significance of the first Lithuanian visit of a crowned person in the post war years - Queen of Denmark Margrethe II, at the official dinner in her honor tonight.

In her turn, Margrethe II welcomed Lithuania on its return to the international arena as an independent member and called for the development of cooperation between Denmark and Lithuania.

The visit began today with laying wreaths at the Antakalnis Cemetery, where fighters for independence of the Lithuanian state are buried. Queen Margrethe II and Vytautas Landsbergis then met at the parliament building.

Landsbergis presented Danish Foreign Minister Uffe Ellemann-Jensen, accompanying the queen, with the "January 13" memorial medal for his support of Lithuania on its way to independence.

Then Lithuanian Foreign Minister Algirdas Saudargas and his Danish counterpart signed a treaty on refusal from entrance visas for citizens with mutual visits to the two states. Ellemann-Jensen and Lithuanian Minister of International Economic Relations Vytenis Aleskaitis signed a treaty on economic, technical and scientific cooperation of Lithuania and Denmark.

Departs

LD0108211292 Moscow Teleradiokompaniya
Ostankino Television First Program Network
in Russian 1700 GMT 1 Aug 92

[From the "Novosti" newscast]

[Excerpts] On the second day of her visit to Lithuania, Margrethe II, Queen of Denmark, visited Vilnius' Kalveriskiu market. [passage omitted] Margrethe II and her entourage left Lithuania late this evening.

Ruutel Meets Western Envoys on Russian Troops

OW0308190292 Moscow BALTFAX in English
1805 GMT 3 Aug 92

[Transmitted via KYODO]

[Text] Chairman of the Estonian Supreme Council Arnold Ruutel has met in recent days representatives of the embassies of Germany, Great Britain and some other countries, the press service of Arnold Ruutel reports.

Ruutel familiarized diplomats with issues concerning the withdrawal of Russian troops, as well as his meeting with commander of the Northwestern Group of Forces, Colonel-General Leonid Makarov.

Ruutel also described the situation at the intergovernmental talks with Russia and explained Estonia's position in relation to the Estonian-Russian border and citizenship.